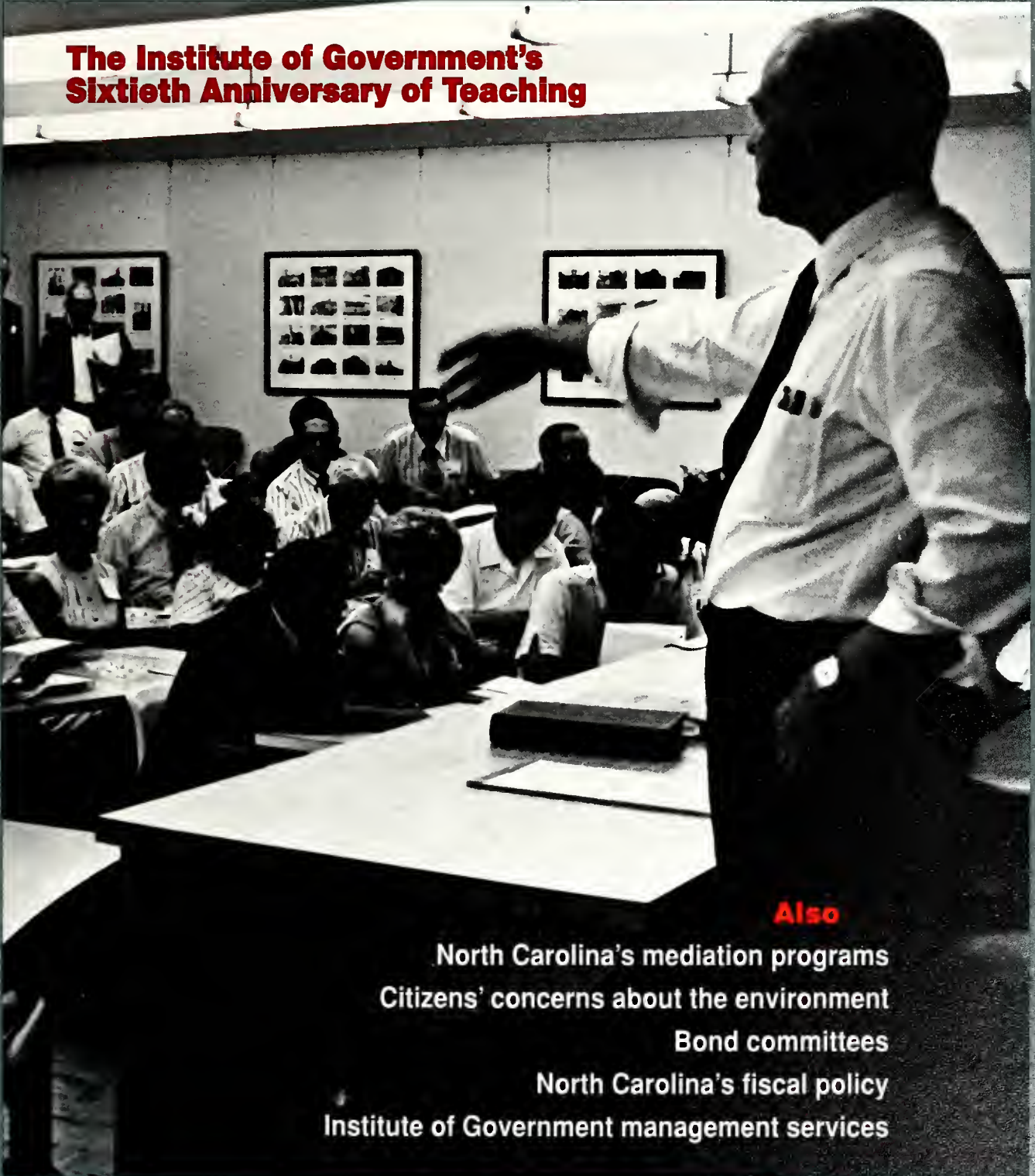


Spring 1992 Vol. 57, No. 4

# Popular Government

Institute of Government • The University of North Carolina at Chapel Hill

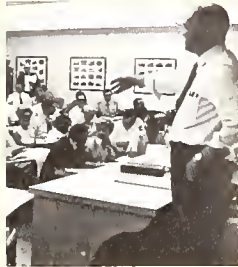
**The Institute of Government's  
Sixtieth Anniversary of Teaching**



**Also**

North Carolina's mediation programs  
Citizens' concerns about the environment  
Bond committees  
North Carolina's fiscal policy  
Institute of Government management services

## Popular Government



### Editor

Charles D. Liner

### Managing Editor

Liz McGeachy

### Editorial Board

William A. Campbell

Stevens H. Clarke

Robert P. Joyce

Jeffrey S. Koeze

David M. Lawrence

Janet Mason

### Art Director

Michael Brady

### Design Staff

Daniel Soileau

### Proofreader

Carol Brinkhous

### On the Cover

Former Institute faculty member Warren "Jake" Wicker teaches participants in the School for New Mayors and Councilmen, June, 1971



## Institute of Government

The University of North Carolina at Chapel Hill

John L. Sanders, Director

William A. Campbell, Associate Director

### Faculty

Stephen Allred	Patricia A. Langelier
A. Fleming Bell, II	David M. Lawrence
Frayda S. Bluestein	Charles D. Liner
Joan G. Brannon	Ben F. Loeb, Jr.
Margaret S. Carlson	Ronald G. Lynch
Stevens H. Clarke	Janet Mason
Ann C. Clontz	Richard R. McMahon
Anne M. Dellinger	Laurie L. Mesibov
James C. Drennan	David W. Owens
Richard D. Ducker	Robert E. Phay
Robert L. Farb	Terry L. Roberts
Joseph S. Ferrell	John Rubin
S. Grady Fullerton	John L. Saxon
Milton S. Heath, Jr.	Roger M. Schwarz
Joseph E. Hunt	Robert G. Shreve
Kurt J. Jenne	Michael R. Smith
Robert P. Joyce	Thomas H. Thornburg
Jeffrey S. Koeze	A. John Vogt

**The Institute of Government** of The University of North Carolina at Chapel Hill is devoted to teaching, research, and consultation in state and local government

Since 1931 the Institute has conducted schools and short courses for city, county, and state officials. Through monographs, guidebooks, bulletins, and periodicals, the research findings of the Institute are made available to public officials throughout the state

Each day that the General Assembly is in session, the Institute's *Daily Bulletin* reports on the Assembly's activities for members of the legislature and other state and local officials who need to follow the course of legislation

Over the years the Institute has served as the research agency for numerous study commissions of the state and local governments.

*Popular Government* (ISSN 0032-4515) is published four times a year (summer, fall, winter, spring) by the Institute of Government, CB# 3330 Knapp Building, JNC-CH, Chapel Hill, NC 27599-3330. Subscription: \$12.00 per year. Second-class postage paid at Chapel Hill, NC, and additional mailing offices. POSTMASTER: Please send change of address to Institute of Government, CB# 3330 Knapp Building, JNC-CH, Chapel Hill, NC 27599-3330. The material printed herein may be quoted provided that proper credit is given to *Popular Government*, © 1992, Institute of Government, The University of North Carolina at Chapel Hill.

This publication is printed on permanent, acid-free paper in compliance with the North Carolina General Statutes. Printed in the United States of America.

*Popular Government* is distributed without charge to city and county officials. Single copies are provided by the Institute of Government in consideration of membership dues.

The Institute of Government of The University of North Carolina has printed a total of 7,901 copies of this public document. The cost of printing is \$1.10 per copy. These figures include only the cost of reproduction. They do not include preparation, editing, or distribution costs.

# Popular Government

Institute of Government • The University of North Carolina at Chapel Hill

## C O N T E N T S

Spring 1992 Vol. 57, No. 1



p. 2

S Exum



p. 29

### Feature Articles

- 2 Teaching at the Institute of Government: The First Sixty Years  
*by Stephen Allred*
- 9 Mediation of Interpersonal Disputes: Evaluating North Carolina's  
Programs  
*by Stevens H. Clarke, Ernest Valente, Jr., and Robyn R. Mace*
- 15 North Carolinians' Concerns about the Environment  
*by Daniel B. German and Marvin K. Hoffman*
- 21 Support for General Obligation Bond Issues through Bond Committees  
*by Charles K. Coe*
- 21 North Carolina's Fiscal Policy  
*by Charles D. Liner*
- 29 Management Services at the Institute of Government  
*by Roger M. Schwarz and Richard R. McMahon*

### At the Institute

- 36 Saxon Joins the Institute Faculty  
*by Liz McGeachy*
- 36 Heath Is Honored for Work with Coastal Resources  
*by Liz McGeachy*

# Teaching at the Institute of Government: The First Sixty Years

Stephen Allred

It is Monday, September 16, 1991, at 10:15 A.M. In Classroom 1 of the Joseph Palmer Knapp Building, home of the Institute of Government, Fleming Bell explains to a group of thirty local government contracting officers the Uniform Commercial Code provision that limits the remedies of a seller when a buyer wrongfully rejects or revokes acceptance of goods.

Down the hall in Classroom 3, Joe Hunt administers an examination to thirty tax assessors. The exam results will determine whether they will be certified for the purpose of appraising real property all across North Carolina.

Upstairs in Classroom D, forty public school principals discuss with Bob Joyce the most difficult employee they have had to supervise and what steps they could take to deal with that employee. During the exchange, one principal realizes exactly what steps she should take in dealing with an employee with a chronic absenteeism problem.

Across town in a hotel conference center, Dick McMahon interprets the results of a management style instrument for a group of government managers. Many of these managers discover for the first time what their management style is and how they come across to their employees.

---

*The author is an Institute of Government faculty member who specializes in employment law.*



One of the first statewide schools held under the auspices of the Institute of Government, early 1930s.

Back at the Institute building, Jack Vogt reviews the final version of the course schedule for the Municipal Administration Course, which begins in October and runs through the following April. Joan Brannon is planning an upcoming training session for magistrates. Ann Clontz is on the telephone with the principal of Bessemer City Jr. High School, confirming the final arrangements for a school improvement workshop to be held the following weekend at the Institute.

All of these people are Institute of Government faculty members. On any given day, one may walk into the Knapp Building on the campus of The University of North Carolina at Chapel Hill and find any one of the Institute's thirty-eight faculty members engaged in teaching activities much like those described above. The Institute of Government has a threefold mission: to teach, to write, and to consult for public officials of North Carolina. This article describes the teaching component of that mission.

## The Beginnings

The Institute of Government sponsored its first statewide school for public officials September 8 through 11, 1932: the Statewide School of Governmental Officers for the Study of Governmental Institutions and Processes in the Cities, Counties, and State of North Carolina. Albert

Coates, the founder of the Institute of Government, had seen during his work teaching law-enforcement officers that these types of learning opportunities were important for the public officials of North Carolina. In his book *The Story of the Institute of Government*, Coates describes the early teaching efforts of the Institute. The beginning was a single course for law-enforcement officers, an effort to take the criminal law beyond the law school to those responsible for enforcing the law.

By the early 1930's the statewide school of law-enforcing officers was growing into a statewide school of governmental officers—including all groups of public officials at city, county and state levels—coming together in the Institute of Government. By the latter 1930's the Institute of Government was growing into a new university of public officials in the framework of the old University of North Carolina at Chapel Hill.<sup>1</sup>

Teaching at the Institute has evolved continually over the years. The 1930s saw the development of conferences and schools for city council members, county commissioners, tax officials, clerks of superior court, and others. Institute faculty taught with Tar Heel Boys State from 1939 to 1964, to help train North Carolina youth about governmental functions. Fewer new courses were taught during the 1940s, but the 1950s brought a new surge in Institute teaching. The first Municipal Administration Course was held in 1951, with the County





Police  
Instructors'  
School,  
1937

Administration Course being added in 1961. The first Local Government Purchasing School was held in 1957, and the North Carolina Planning Conference first occurred in 1958, to name a few examples.

The need for certain schools has also changed over time. From 1950 until 1968, for example, the Institute was the sole source of instruction in criminal law for the North Carolina Highway Patrol. In 1968 federal funds were made available to the Highway Patrol through the federal Law Enforcement Assistance Act, as was the campus of a former state school, which enabled it to start its own training academy in Garner. With the time released from Highway Patrol instruction, Institute faculty members were then able to increase substantially the time they spent teaching judges and other officials of the North Carolina court system.

Teaching continues to be an important part of the Institute's mission. Whom the Institute teaches today and what types of courses are now being offered are described below.

## The Students

The Institute of Government is a department of The University of North Carolina at Chapel Hill, but it is unlike other departments on campus in that it teaches

current public officials, not undergraduate or graduate students. The Institute confers no degrees, although it does provide continuing legal education credits and certifies completion of various professional requirements (such as for the previously mentioned tax assessors).

Institute of Government students today include newly elected mayors and county commissioners, city and county attorneys, finance officers, personnel directors, state trial and appellate court judges, law-enforcement officers, school principals and superintendents, district attorneys, city planners, and administrative law judges.

Bob Joyce, an Institute of Government faculty member who primarily teaches school law to attorneys, school board members, and school administrators and elections law to election board officials, describes it this way:

Teaching at the Institute is a teacher's dream. Students are in the classroom because they want to be there. They bring to the classroom knowledge of the subject matter that frequently surpasses mine, so that at the same time that I challenge the students in some aspects of the subject, they challenge me in others. An English department class or a physics department class is composed of students who focus almost exclusively on what happens in that class. They are accustomed to being in class and become jaded. An Institute class is composed of public officials whose focus is the real world. They are not accustomed to being in class: far from being jaded by the classroom experience, they are stimulated. They enliven the classroom.



Tax Supervisors, 1936



Law Enforcement Officers, 1936

Many Institute faculty members previously taught in more traditional academic settings: others continue to do so, teaching courses in the UNC-CH School of Law, the School of Public Health, and the Masters of Public Administration program in the Political Science Department, among others. One such faculty member is Roger Schwarz, who taught undergraduates and graduate students in the UNC-CH Psychology Department before joining the Institute faculty in 1987.

Schwarz teaches Institute clients who have supervisory or managerial responsibility. He describes his work this way: "Broadly, the subjects I teach deal with organizational behavior: how people work together and create organizational structures and processes to help accomplish the organization's mission and simultaneously improve the quality of people's work lives." Recently, for example, Schwarz taught conflict management to a group of zoning officials. These officials provide services to their clients that often involve telling them they are not in compliance with the zoning ordinances.

Schwarz was asked to compare his teaching experience in the Psychology Department to his teaching in the Institute:

One major difference is that with graduate school teaching there is a greater emphasis on theory and conceptual clarity, simply for its own sake, with less regard for how it might be applied in the real world. In contrast, at the Institute of Government the teaching always has to be grounded in the reality of the clients' work and their needs. Simultaneously, the teaching has to be theoretically sound so that the students can use the basic principles of organizational behavior and apply them to new situations in their workplaces.

He summarizes the difference this way: "Institute teaching is more challenging. It is not enough to be theoretically elegant; you must be able to integrate the techniques with the concepts and principles that generate them."

Teaching in the Institute is made more challenging by the variety of students in the classroom. For example, the Basic Public Personnel Administration Course has students whose educational backgrounds range from a high school diploma to a law degree. Courses for attorneys may include recent law school graduates and lawyers with thirty years' experience. Courses in management may include persons with extensive background and experience in organizational psychology and others with no experience at all. The

challenge is to keep the classroom instruction at a level that is interesting to all, but that accommodates a variety of experiences and educational levels.

That challenge is especially apparent in the teaching the Institute does for the North Carolina court system. The North Carolina Administrative Office of the Courts works hand in hand with the Institute to train judges, district attorneys, public defenders, clerks of court, and magistrates. Jim Drennan, an Institute faculty member since 1974, places the Institute's teaching for judicial officers in two broad categories: continuing education and orientation. "Our focus in continuing education for judges is mostly on new developments in the law, either by case decisions or by new statutes," Drennan notes. As an example, recent changes in child support statutes and case law required the Institute to conduct numerous sessions for district court judges on the subject. In contrast, the orientation training, which is required of all judges serving in their first year of office, focuses on a mix of law and practice and relies heavily on the teaching of experienced judges as well as Institute faculty. "We can teach the new judges what the maximum sentence allowable for a particular crime is," says Drennan, "but the experienced judge can help them understand what factors to consider in imposing a sentence within the range."

Teaching judges is a serious responsibility, Drennan adds.

If you tell a judge in class today what the law is, some litigant in that judge's courtroom next Monday may be affected by that judge's ruling. You have a duty—a compulsion—to get it right. If you say that in such and such a circumstance you must grant a motion for summary judgment, it may happen in the courtroom. It's a special



Civilian Defense School, 1940s



First Local Government Purchasing School, 1957



County and Municipal Administration courses, combined class, 1969

responsibility to talk to judges about what the law is, because they then go out and represent the government in defining what the law is for the people of North Carolina.

Whether judges, attorneys, or managers, the number of participants in Institute courses is substantial. Courses at the Institute run anywhere from a day to sixteen weeks, with most courses being a few days in length. In fiscal year 1990-91, 214 separate schools were conducted in the Knapp Building. Another 103 schools were taught outside the Knapp Building, at sites from Elizabeth City to Asheville. In addition Institute of Government faculty members participated in 156 programs and conferences sponsored by other organizations. In all, for fiscal year 1990-91, the Institute of Government

sponsored or participated in 478 schools. Institute faculty members were assisted by many non-Institute instructors, coming not only from within the University but also from the ranks of experienced public officials. Their willingness to assist the Institute in its teaching, often without compensation, helps make the course offerings more valuable for Institute clients.

More noteworthy is the number of students who participate in those schools. Again, looking at fiscal year 1990-91, 7,154 students came to the Knapp Building for Institute courses, while another 6,611 participated in Institute courses at other locations. In programs in which the Institute participated but did not sponsor, another 10,552 students were taught. Adding these figures together, Institute faculty taught 24,317 students in fiscal 1990-91. That figure is more than the entire student population, undergraduate and graduate, of The University of North Carolina at Chapel Hill.

Of course, no organization can undertake a teaching responsibility of that magnitude without substantial staff assistance. At the Institute, the primary responsibility for scheduling classes, registering students, and answering the questions of 7,000 visitors falls to the registrar, Terry Jones.

Jones came to the Institute in 1985, taking over the responsibilities of registrar from Marjorie Bounds, who had held the position for nearly twenty-seven years. Jones describes her job this way: "Our office is the first one people encounter when they come to the Institute, so it's important that we make the right impression." Because the registration office is centrally located, she adds, the job goes beyond simply registering students for classes and collecting their fees. "We contact Physical Plant or the housekeeping staff when things need attention, give directions to buildings on campus or places in Chapel Hill, and generally serve as the complaint department." The responsibility for service to Institute of Government students is shared between the faculty member in the classroom and the support staff (like Terry Jones, assistant registrar Michelle Meyer, facilities and instructional support manager Linda McVey, program coordinator Janice Hollerbach, secretaries, and others), who do all the administrative work that allows the faculty member to teach.



First Course in Municipal Administration, 1954-55

First Course in County Administration, 1964-65





## The Courses

As mentioned earlier, the framework for teaching described by Albert Coates has expanded continually over the past sixty years. The Institute now offers more than 214 courses a year within its walls. The decision of what to offer is the product of consultation with the public officials themselves, who, after all, are under no obligation to attend any courses. Here is a brief sampling of some of the Institute of Government's 200 annual courses:

The Municipal Administration Course has been offered every year for the last thirty-eight years. It includes 156 hours of classroom instruction and meets in several sessions over a seven-month period. It provides training in the fundamentals of local government for managers, department heads, and others with administrative responsibilities.

The annual Health Directors' Legal Conference examines current legal issues confronting local health departments, including significant changes and developments in state and federal law related to both medical and environmental health programs.

The course in Basic Public Personnel Administration, offered every year since the late 1950s, provides a week-long overview of the technical and legal aspects of personnel administration, such as recruitment, selection, discipline, classification, and performance appraisal, for state and local personnel directors and their staffs.

The Local Government Purchasing School covers the basics of local government purchasing, from sources of

supply to forms, and examines organization, staffing, legal requirements, procedures, practices, and policies.

The annual School for Sheriffs, Deputies, and Jailers covers such subjects as new legislation, problems relating to civil duties of sheriffs, and civil and criminal liabilities of sheriffs.

The Principals' Executive Program provides an intense four-week period of instruction in administration for public school principals and superintendents from both a managerial and legal standpoint. Five such courses are given for principals each year.

The Effective Management Program is designed to improve management skills needed in operating departments and offices, with a focus on getting desired results from individuals in the workplace.



State Highway Patrol School, 1972



Bob Stipe discussing an exercise in the City Planning Methods Course, 1961

Donald Hayman teaching in the Personnel Officers' School, 1965





Principals' Executive Program 30, 1992

John Sanders, the director of the Institute of Government, notes that although some Institute courses are the result of direct requests made by groups, most originate from the faculty's perception of needs: the course is offered, and the faculty members see if people take it. "We have the great advantage of being able to respond to the needs of our clients," Sanders adds. "Because of the way we're funded, with 70 percent of the cost of the Institute funded by state appropriation, and another 10

percent by county and municipal dues, we are not restricted to offering only courses that are financially self-supporting," Sanders adds. "If the need for a particular type of training is there and we can do it, we will."

### The Results

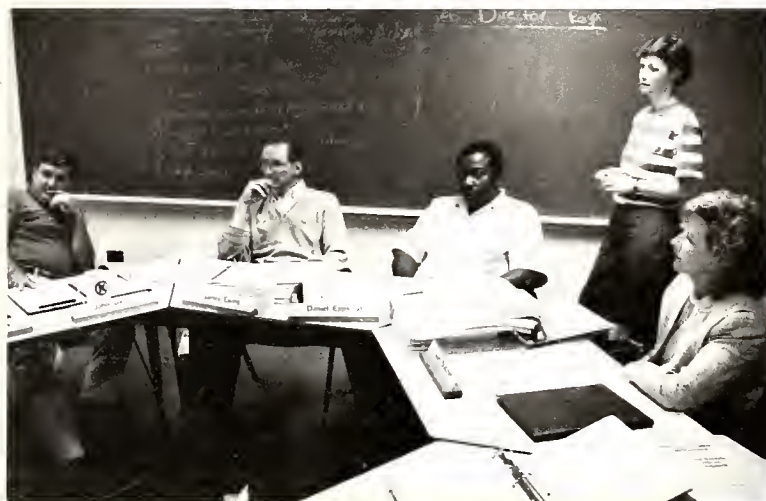
What is the result of all this teaching? What difference does it make? Perhaps that question can be answered by Jean Frazier, who until recently was the town clerk for the town of Norlina. When she left that position in August of 1991, she wrote a letter of thanks to Fleming Bell, who had taught her in the City and County Clerks' School, stating, "Words cannot express how much the classes there at the Institute have meant to me. The Institute and its employees are to be highly commended for the way in which they serve the municipalities and the counties of the State of North Carolina."

For Jean Frazier and thousands of other public officials, it matters because they learn how to do their jobs more effectively. More importantly, The University of North Carolina at Chapel Hill, through the Institute of Government, helps make this state a better place for all of its citizens. No teaching could be more rewarding than that. ❖

### Notes

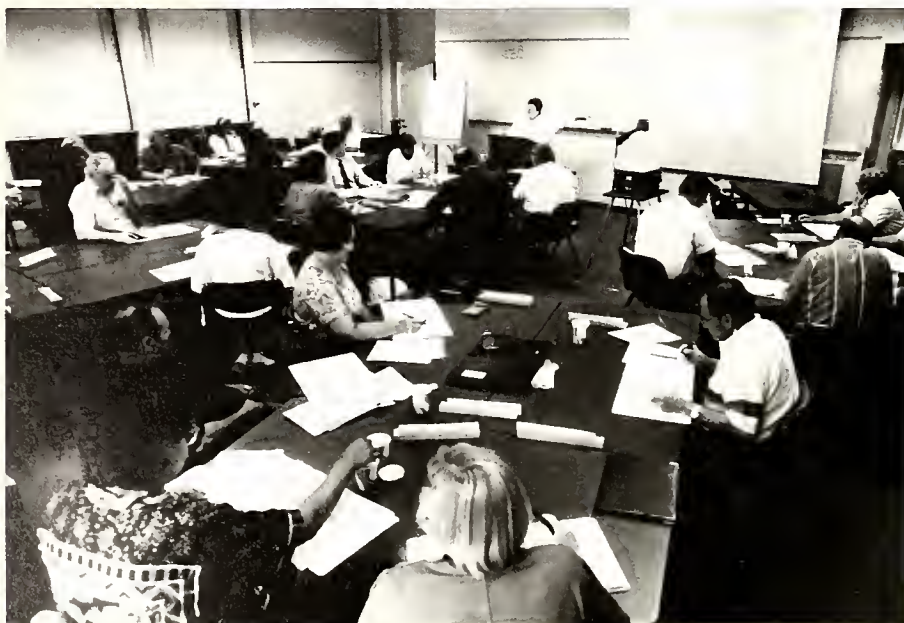
- 1. Albert Coates. *The Story of the Institute of Government* (Chapel Hill, N.C.: Albert Coates, 1981), 273.

Becky Kirkland



A small-group discussion in the Course in Municipal Administration, 1990

S. Exam



Institute faculty member Joan Brannon teaching in the Small Claims School for Magistrates, 1992

# Mediation of Interpersonal Disputes: Evaluating North Carolina's Programs

Stevens H. Clarke, Ernest Valente, Jr., and Robyn R. Mace

*Charlie and Dwayne are good friends. Often they get together at Charlie's place to watch a ball game on television and drink beer. On one occasion, Charlie had some other friends over, including Bill. Bill and Dwayne once were friends but became estranged when Dwayne started seeing Bill's ex-girlfriend. When the beer ran out, Bill and Dwayne began to argue. They stormed outside, where Bill picked up a shovel leaning against the garage. After threatening Dwayne with it, he vented his anger on Dwayne's truck, breaking two windows, a taillight, and a rearview mirror. Charlie was able to calm the situation and take the shovel from Bill. Dwayne went to the local magistrate's office and charged Bill with assault with a deadly iceappon and damage of personal property. When Bill learned of this, he filed a countercharge of communication of threats against Dwayne.*

The hypothetical case of Dwayne v. Bill is a typical example of the type of case that might be handled by one of North Carolina's mediation programs. North Carolina has nineteen such programs (also called dispute settlement centers), the first of which began in 1979.<sup>1</sup> These programs try to help parties resolve interpersonal disputes by reaching a voluntary mediated agreement. The North Carolina Mediation Network, an association representing all the programs, asked the Institute of Govern-

ment to evaluate the state's mediation programs, and in 1990 and 1991 the Institute conducted an evaluative study of the programs. This article offers some general information about North Carolina's mediation programs and evaluates their success on the basis of the study.

## North Carolina's Mediation Programs

### Cases Dealt with by the Programs

Mediation programs in North Carolina developed in part as a way to deal with *related-party* misdemeanor cases. The case of Dwayne v. Bill, described above, is an example of this type of case. These cases involve people with an ongoing interpersonal relationship who have a dispute and seek to resolve it by filing misdemeanor (criminal) charges. Complainants and defendants may be friends or former friends, like Dwayne and Bill, or family members, spouses, lovers, ex-spouses or ex-lovers, landlords and tenants, or employers and employees. The charges they file may include misdemeanor assault, communication of threats, harassment through telephone calls, criminal trespass, misdemeanor larceny, unauthorized use of a vehicle, or damage of property. When tried in the courts, perhaps about one fourth of these cases result in the conviction of someone. Small fines under \$500 are the most common punishments courts impose; few defendants are sentenced to imprisonment, and their terms rarely exceed a few months. About one fourth of those convicted must pay restitution to the crime victim; most must pay court costs.

Related-party misdemeanor cases account for roughly 10 to 15 percent of the annual nontraffic criminal case load of North Carolina's district courts.<sup>2</sup> Because of the

---

*Steve Clarke is an Institute of Government faculty member who specializes in courts and criminal justice issues. Ernest Valente was the research coordinator for this project and is now a research associate with the Department of Human Development at Vanderbilt University in Nashville, Tennessee. Robyn Mace was a research assistant for this project. The authors also would like to recognize Nancy Ann Yovetich for her contribution to the research of this project.*

interpersonal issues involved, these cases sometimes are difficult for the district courts to handle, and the difficulty may seem disproportionate to the seriousness of the charges. Although serious from the disputants' point of view, to the courts the charges may appear minor compared with, say, robbery or drug trafficking. While prosecutors and judges sometimes try to get disputants to conciliate, their job is to adjudicate charges, not resolve interpersonal disputes.

Mediation programs can help parties resolve these disputes through a voluntary agreement. For example, if Bill and Dwayne went to mediation, they might reach an agreement such as the following:

*Bill agrees that he was responsible for damages to Dwayne's truck. He agrees to pay Dwayne \$15.00 every other week for a total of \$300. Each agrees to ask the district attorney to dismiss his charge against the other. They agree to try in the future to talk things over before getting violent and to seek outside help if they cannot work their problem out peaceably.*

The agreement would be in writing and signed by both parties in the presence of the mediator.<sup>3</sup>

All but one of North Carolina's nineteen mediation programs are nonprofit corporations,<sup>4</sup> and all but one handle related-party misdemeanor cases referred to them from district criminal court.<sup>5</sup> However, not all such cases are accepted. The programs subscribe to a policy against accepting cases that involve domestic violence, which is consistent with a more general principle that requires mediators to end a mediation session if "there appears to be a significant imbalance of power between the disputants."<sup>6</sup>

Related-party misdemeanor cases probably constitute a majority of the cases mediated by North Carolina's programs.<sup>7</sup> The programs also handle a variety of other kinds of cases, for example, "walk-in" disputes brought in by the parties themselves without prior court involvement, child custody and other divorce-related disputes, disputes arising in schools, and disputes concerning the return of rental property. Some programs also handle consumer fraud matters referred from the state attorney general's office, and the Durham program helps reach settlements in bad check cases.

### Program Mediators

Since the first mediation program began in Orange County in 1979, the programs have relied on trained, unpaid volunteer mediators. The mediator assists the

disputants in negotiating a mediated agreement by defining and clarifying issues, reducing obstacles to communication, and exploring possible solutions.<sup>8</sup> Although there are no legal training requirements for volunteer mediators, the North Carolina Mediation Network prescribes a curriculum of twenty hours of training in its 1990 *Training Manual for Mediators*. Training includes mediation theory, techniques of interpersonal facilitation, and ethical guidelines for mediators.

### Funding of the Programs

While mediators' services are free, the programs incur costs for administration (directors and some other personnel are paid), office space, and mediator training. Their annual budgets range from \$7,400 (Polk County) to \$158,500 (Buncombe County).<sup>9</sup> The programs' funding comes from a variety of sources, including local government, private foundations, local churches and charities, IOLTA (the Interest on Lawyers' Trust Accounts fund maintained by the North Carolina Bar), training fees, and fees for divorce mediation. In addition, special appropriations from the North Carolina General Assembly, administered by the Administrative Office of the Courts, are an important and growing source of funds for the programs.<sup>10</sup>

## An Evaluation of the Mediation Programs

### Study Design

When the Mediation Network asked the Institute of Government to evaluate the state's mediation programs, the authors designed a study involving three of the state's nineteen mediation programs.<sup>11</sup> The study concentrated on related-party misdemeanor cases referred to programs from district court. Three counties with mediation programs—Durham, Iredell, and Henderson—were each matched with similar counties that did not have programs—New Hanover, Davidson, and Rutherford, respectively.<sup>12</sup> The study followed a sample of 1,421 "clusters" of cases filed in 1990 that met criteria of eligibility for mediation,<sup>13</sup> using the records of both courts and mediation programs. All eligible cases were followed, regardless of whether they went to mediation. Cases involving the same dispute or incident were grouped together in "clusters" for analysis. A sample of complainants also were interviewed by telephone about their experiences with court and mediation,<sup>14</sup> as well as a smaller

sample of defendants with regard to their experiences with mediation.

### Selection of Cases for the Programs

Only about a fifth (23 percent) of eligible clusters of cases in the three program counties were referred to the programs. *Referred* means selected from court by court officials, program representatives, or the disputants themselves and sent to a mediation program. Statistically, there was little difference between eligible clusters referred to programs and those not referred. Of those referred, 59 percent were actually mediated; almost all (92 percent) of those mediated resulted in mediated agreements.

The main reason why eligible clusters did not go to programs appeared to be that disputants did not know about the programs, although some who did know refused to participate. Programs sometimes screened out cases because defendants had assault records, but this practice evidently had little effect on the proportion of eligible clusters that programs received. When cases were sent to programs but failed to reach mediation sessions, the failure usually was due to the complainant's refusal or nonappearance, not the defendant's. Defendants may have had more incentive to participate than complainants did, because of the possibility of continued criminal prosecution.

The Henderson County program had a much higher rate of referral of clusters from court (34 percent) than did the Iredell (19) or Durham (16) programs, and its percentage of eligible clusters actually mediated (22 percent) also was much higher. The reason for the differences apparently was that the Henderson program had the most extensive system for obtaining cases. Its system involved (1) personal contact with disputants in court sessions, (2) review of recently served arrest warrants, and (3) review of the court docket a few days in advance.<sup>15</sup> The other two programs' intake systems did not involve all of these techniques. Durham program representatives were not allowed in court; the resulting lack of face-to-face contact with disputants probably hampered this program in obtaining eligible cases.

The three programs in the study were equally successful when mediation sessions took place. In all three programs, about 90 percent of mediated clusters reached mediated agreements.

*The study suggests that mediation programs can increase their utilization rates substantially by improving their intake strategies.* Several findings of the study

support this conclusion: (1) The programs studied only received a fraction of the cases eligible for mediation. (2) The Henderson County program, which had the most extensive intake system of the three programs studied, had a considerably higher utilization rate than did the other two programs. (3) Cases referred to programs were nearly indistinguishable statistically from those not referred. (4) The most common reason given by complainants in the three program counties for not going to mediation was that they had never heard of the program.

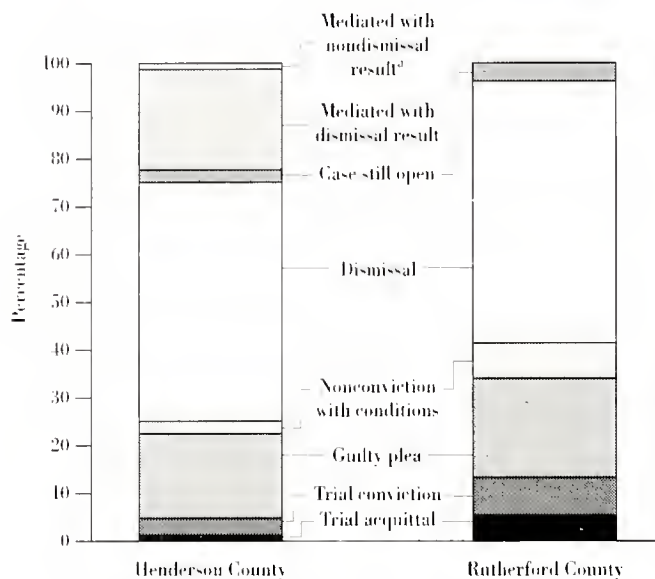
One obstacle to mediation was brought out in the interviews: half of the complainants interviewed believed that the courts had solved the problems that led them to file charges. If complainants believe that the courts can solve their problems adequately, they may not look for alternatives. If mediation program representatives wish to increase their intake of cases, they may want to ask complainants what experiences they have had with criminal court and put more emphasis on explaining the differences between mediation and regular court procedure.

### Effect of the Programs on Court Dispositions

When clusters reached mediated agreements, they almost always resulted in dismissal of charges. The study addressed the question of what the court dispositions would have been without the intervention of the programs: Did the programs divert cases from trial and conviction, thereby reducing costs to courts and disputants? Or did they handle cases that would have been dismissed anyway?

A statistical analysis suggested that the Iredell and Durham programs did not have a diversionary effect. However, the Henderson County program, with its more effective intake system, may have reduced trials in eligible clusters by more than two thirds, as shown by comparison with the matching nonprogram county, and also may have diverted some cases from guilty pleas. This can be seen in Figure 1, which compares the percentage of various types of court dispositions in Henderson County with its matching county, Rutherford, looking only at clusters of cases eligible for mediation.<sup>16</sup> In Henderson County 21 percent of clusters were mediated and resulted in dismissal of charges (Rutherford had no mediation program). The trial rate, including both convictions and acquittals, was much lower in Henderson (5 percent compared with 13 percent in Rutherford). The rate of guilty pleas also was less (18 percent compared with 21 percent), as was the rate of nonconvictions that imposed

Figure 1  
Court Dispositions in Henderson County (with a Mediation Program) and Rutherford County (without a Mediation Program)



Note: Henderson County n=232; Rutherford County n=217.

<sup>a</sup>One guilty plea, two still open.

conditions on the defendant<sup>17</sup> (3 percent compared with 7 percent). There was little difference in the dismissal rates in the two counties (50 percent versus 55 percent), leaving aside the mediated clusters. From this comparison, it can be inferred that clusters that otherwise would have gone to trial in Rutherford County for the most part went into the group of Henderson County cases that were mediated and resulted in dismissal.

The Fredell and Henderson programs (but not the Durham program) evidently slowed down the processing of eligible cases by about a month. The additional delay may have been worthwhile if—as in Henderson County—trials and convictions were replaced by mediated agreements considered advantageous by disputants.

### Informal Agreements

Some cases that reached mediated agreements in program counties probably would have ended in informal agreements if the programs had not existed. In interviews six to ten months after court disposition, 23 percent of complainants in nonprogram counties reported making “informal agreements”—agreements without the aid of mediation programs. The reported contents of these informal agreements were similar to the mediated

agreements that were examined. However, the two types of agreements differed in other ways: (1) The procedures involved were quite different: for example, in informal agreements there was no procedure designed to put each disputant on the same footing and no neutral trained mediator. (2) While mediated agreements almost always resulted in a dismissal of charges, this was not true of informal agreements.<sup>18</sup>

### Participants' Satisfaction with Mediation

Interviews showed that disputants who went to mediation sessions generally were quite favorable toward both the procedures and outcomes of mediation. For example, most complainants and defendants interviewed were happy with the way their mediation was handled and with its outcome. They thought they were treated fairly, said they understood the process, felt they were listened to, believed that mediation was worth the time and cost to them, and rated their mediator's performance highly. Both defendants and complainants reported a high degree of compliance with mediated agreements by both parties. Very few disputants felt they had been pressured to participate in mediation.

A statistical analysis of complainants' satisfaction with their entire experience in their cases, including the procedures involved and the outcomes, showed that characteristics of the complainants and their cases had little effect on either satisfaction with outcome or with procedure. Whether a conviction occurred also had no effect. What contributed most to complainants' satisfaction was how circumstances outside the court changed. The most important factor was the perception that the “problem” that had led the complainant to file charges had been solved. The perception that the relationship with the defendant had improved and the sense of “winning” the case also contributed, to a lesser degree, to satisfaction.

As shown in Figure 2, reaching an agreement with the defendant increased complainants' satisfaction, mainly because complainants who reached either mediated or informal agreements were more likely to believe that their problem had been solved (about 95 percent) than were other complainants (69 percent), and more likely to believe that their relationship with the defendant had improved (12 percent versus 12 percent). Agreements apparently reduced complainants' feeling that they had won, but also increased their sense that “nobody won.”

Mediated agreements—but not informal ones—evidently provided an additional benefit in terms of satisfaction

with the procedures in the case, over and above the satisfaction produced by the outcomes they produced. Mediated agreements continued to show a small but significant relationship to procedural satisfaction when outcomes such as solving the problem and improving the relationship were controlled for statistically. This analysis is illustrated in Figure 3. In this figure, complainants were divided into three levels of predicted satisfaction on the basis of the outcomes in their cases and other factors. Within each level, average scores measuring satisfaction with procedure were compared for those that reached mediated agreements and those that did not. In the low and moderate predicted satisfaction levels, it can be seen that satisfaction was somewhat greater for complainants who obtained mediated agreements.

**Perceived Effectiveness of Courts**

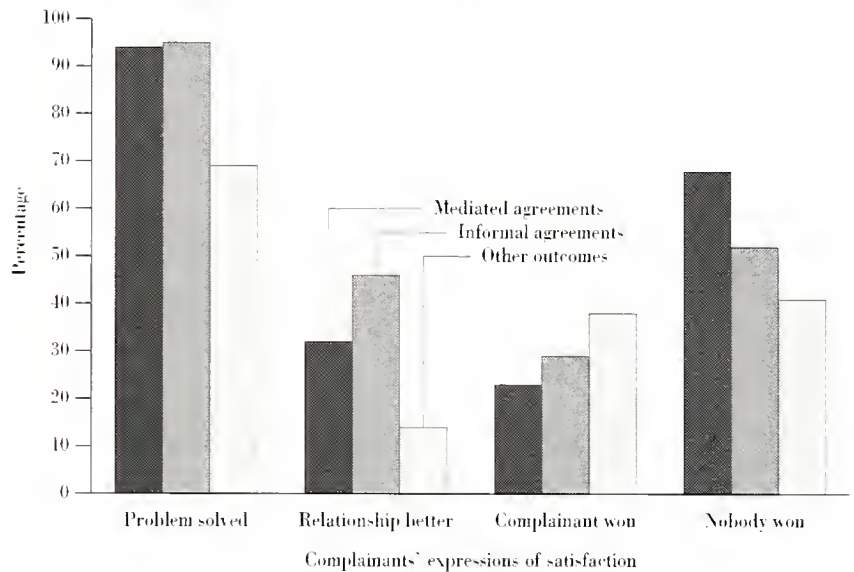
Although the study indicates that mediation can be more effective than courts in handling related-party misdemeanor cases, it also shows that courts can be effective. Half of the complainants interviewed believed that the court had solved their problem. This perception was unaffected by whether a conviction occurred. Perhaps the entire criminal process, beginning with arrest, put pressure on the defendant—or on both parties—to change their objectionable behavior.

**Stability of Agreements and Dispositions**

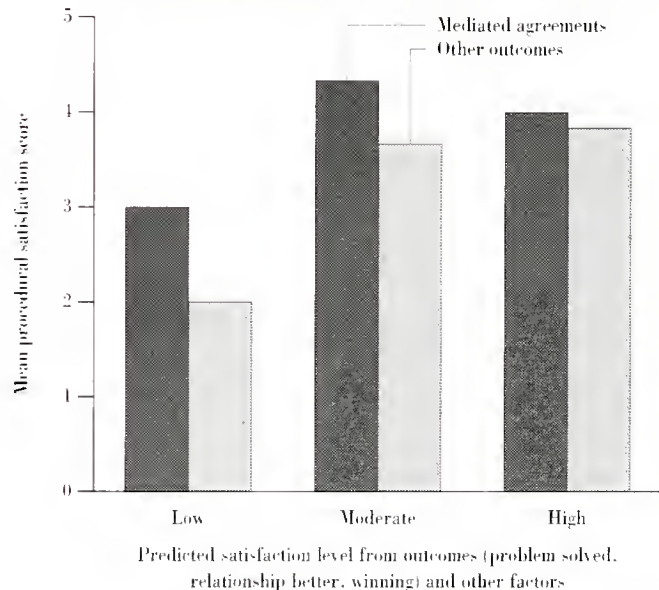
Eligible clusters were followed for four months after court disposition in court records. During this period, return to court was quite rare: disputants filed new charges against each other in only 4 percent of the clusters. The new-charge rate was lower for clusters in program counties that reached mediated agreements (2 percent) than for clusters in nonprogram counties (4 percent), but the difference was not statistically significant.

Compliance with mediated agreements was quite high, according to interviews with both complainants and defendants, although each group rated their own compliance somewhat higher than their opponents'. For example, six to ten months after court disposition, 93 percent of complainants said that they had complied with mediated agreements and 78 percent said that their defendants had complied. Reported compliance with informal agreements was equally good.

**Figure 2**  
Relationship between Outcome of Dispute and Complainant Satisfaction



**Figure 3**  
Procedural Satisfaction of Complainants with and without Mediated Agreements, by Predicted Satisfaction Level



Note: Low predicted satisfaction level n=62. Moderate predicted satisfaction level n=69. High predicted satisfaction level n=65.

**Conclusion**

In handling interpersonal disputes referred from district criminal courts, the three mediation programs in the Institute of Government's study were rated highly by

participants, added to complainants' overall satisfaction with their cases, and (as observed in the Henderson County program) were capable of reducing trials substantially and replacing them with mediated agreements. Disputants reported good compliance with agreements. But the study suggests that the programs could have reached far more cases than they actually did, probably with comparable results. Mediation appears to be a valuable resource for disputants and the courts; it could be more beneficial if its full potential were realized. ❖

### Notes

1. See Dee Reid, "Community Mediation Programs: A Growing Movement," *Popular Government* 52 (Winter 1987): 24-28; and Frayda S. Bluestein, "Mediating Land-Use Disputes," *Popular Government* 56 (Winter 1991): 19-25. The nineteen programs are located in Asheville (Buncombe County), Brevard (Transylvania County), Burlington (Alamance County), Columbus (Polk County), Charlotte (Mecklenburg County), Durham (Durham County), Fayetteville (Cumberland County), Gastonia (Gaston County), Goldsboro (Wayne County), Greensboro (Guilford County), Greenville (Pitt County), Hendersonville (Henderson County), Lumberton (Robeson County), Newton (Catawba County), Carrboro (Orange County), Pittsboro (Chatham County), Raleigh (Wake County), Statesville (Iredell County), and Winston-Salem (Forsyth County).

2. This estimate is based on data published by the North Carolina Administrative Office of the Courts for the six counties in the study.

3. Are mediated agreements legally binding? North Carolina law is unclear on this point. The North Carolina Bar Association has taken the position that the agreements "should ordinarily be unenforceable" unless the parties turn them into legally binding contracts. N.C. Bar Association, *Dispute Resolution* (Raleigh, N.C.: NCBA, 1985), 14. (In the criminal cases with which this study deals, there is, theoretically, a kind of legal sanction for a defendant's failing to comply with a mediated agreement: reopening of prosecution on the original charge. This should not be confused with enforceability of the agreement itself.) Another view is that whether mediated agreements are legally binding is a matter to be decided by trial judges on a case-by-case basis, and that the participants in mediation should be advised to consult an attorney regarding whether a mediated agreement may be legally enforceable. Barbara Davis, president of the Mediation Network of North Carolina, letter to the authors, March 1, 1991.

4. The Mecklenburg County program is a county government agency.

5. The newly opened Catawba County program handles child custody disputes only.

6. Mediation Network of North Carolina, *Training Manual for Mediators* (Carrboro, N.C.: MNNC, 1990), 71, 76. There are some narrowly limited exceptions to the bar against cases involving domestic violence. For example, a mediation program may take such a case if a domestic-violence agency or the victim's professional counselor recommends it.

7. This statement is based on unpublished data compiled by the North Carolina Administrative Office of the Courts for fiscal year 1988-89, covering thirteen programs.

8. Mediation Network of North Carolina, *Training Manual for Mediators* (Carrboro, N.C.: MNNC, 1990), 66.

9. Scott Bradley, administrator with the Mediation Network of North Carolina, telephone conversation with Steve Clarke, June 2, 1992.

10. The total 1992 budget for eighteen programs (the Catawba County program is excluded because it is just beginning and only handles child custody cases) is \$1,377,054. Of this total, \$389,663 (28 percent) is from state appropriations. Scott Bradley, administrator with the Mediation Network of North Carolina, telephone conversation with Steve Clarke, June 2, 1992.

11. For a more detailed report on the study, see the authors' *Mediation of Interpersonal Disputes in North Carolina: An Evaluation* (Chapel Hill, N.C.: Institute of Government, The University of North Carolina at Chapel Hill, 1992, in press).

12. The matched counties are similar in residential populations and district court nontraffic criminal case loads. Also, two of the three matched pairs (Iredell-Davidson and Henderson-Rutherford) are in the same judicial district, which means that they share district attorneys and district court judges.

13. To be eligible for the study, a case had to involve one or more of eighteen types of misdemeanor charges, such as simple assault, misdemeanor larceny, criminal trespass, damage to property, and communication of threats, and it must have been initiated by a private individual complainant (not a police officer or corporation). Clusters of cases were considered ineligible if they involved a charge of assault on a female (which usually arose in domestic conflict), severe violence, or any felony charges. These eligibility criteria were based on actual practices of the programs and were reviewed by members of the Mediation Network.

14. Interviews of complainants took place in three stages: immediately after charges were filed, shortly after court disposition, and six to ten months after court disposition. Interviewers sought to reach a random sample of 810 complainants from all six counties in the study and succeeded in reaching about 30 percent (237) at all three stages. The primary reason for failure to interview was inability to reach the complainant (complainants rarely refused interviews when reached). Complainants that went to mediation programs were no more or less likely to be interviewed than other complainants.

15. The review of the docket was done to bring to the attention of the prosecutor cases that were appropriate for mediation, especially those in which the disputants themselves had expressed an interest in mediation.

16. If a cluster involved more than one case, the disposition most unfavorable from the defendant's point of view was used as the disposition of the entire cluster.

17. A nonconviction with conditions refers to a dismissal or prayer for judgment continued, which the court makes conditional on some action by the defendant, such as paying court costs or making restitution to the complainant.

18. About 40 percent of informal agreements were followed by guilty pleas or nonconviction with conditions.



# North Carolinians' Concerns about the Environment

Daniel B. German and  
Marvin K. Hoffman

Are North Carolinians concerned about the environment? Do they support strong environmental regulations? This article shows that the answer to these questions is yes, despite conventional wisdom to the contrary.

For many environmental activists, there is more than ample evidence that the condition of the natural environment within the United States, and the world as a whole, is deteriorating at an alarming rate. Periodic reports from public interest groups and governmental agencies point to global warming, acid rain, and ozone depletion as problems requiring bold action to reverse downward trends in environmental quality. Advocates urge legislative policy makers on each level of government—local, state, and federal—to tighten development and pollution regulations to protect the environment.

Policy makers, however, often view the arguments of environmental activists as those of a particular group and not necessarily those of ordinary citizens. In North Carolina this may be due to the fact that there is very little data on how average North Carolinians feel about the environment. Elected officials therefore tend to rely on an intuitive assessment of public attitudes on the subject—an assessment that may not be accurate. Many elected officials in North Carolina have held that North

---

*The authors are professors in the Department of Political Science and Criminal Justice at Appalachian State University. The research reported in this article was conducted with financial support from the Z. Smith Reynolds Foundation through the Program for Study of Environmental Change at Appalachian State University.*



Table 1  
Survey responses to "What is the principal problem facing North Carolina today?"

Response	Percentage
Drugs	21.5%
Education	21.3
Economy	14.3
Environment	13.7
Crime	7.0
Taxes	3.3
Budget deficit	2.9
Poverty	1.4
Moral decline	1.0
AIDS	0.6
Other	3.4
Do not know	1.0
No answer	3.5

Note: n = 488.

Table 2  
Survey responses to "The quality of the environment (air, land, and water) is a concern to you."

Response	Percentage
Strongly agree	43.2%
Agree	50.2
Do not know	3.3
Disagree	2.9
Strongly disagree	0.2
No answer	0.2

Note: n = 488.

Table 3  
Survey responses to "In your opinion, is the condition of the United States' environment getting better or getting worse, or is it staying about the same?"

Response	Percentage
Better	10.9%
Worse	61.3
Staying the same	23.6
No answer	1.2

Note: n = 488.

Table 4  
Survey responses to "What about the quality of your local environment, that is the community in which you live? Is it getting better or getting worse, or is it staying about the same?"

Response	Percentage
Better	17.0%
Worse	29.5
Staying the same	50.2
No answer	3.3

Note: n = 488.

Carolínians favor weakened environmental rules instead of tight standards because they fear that tough regulations will deter the creation of new jobs and economic growth. Local officials have shown considerable reluctance to impose zoning and development regulations because they believe citizens would prefer weak land-use controls rather than stricter ones.

This article presents data that challenge the prevailing viewpoint that citizens place low importance on the environment and that they oppose regulations aimed at protecting the environment.<sup>1</sup> Indeed, the data show that citizens in North Carolina feel very strongly that the government is not currently doing enough to protect the environment and that they would support additional taxes for this purpose. Further, they support protection of the environment through strong controls over what can be built and where.

## The Study

A statewide study of public opinion about the condition of the environment and the effectiveness of governmental actions to protect the environment was completed in late 1991. The study set out to determine the degree to which the public is satisfied with present environmental conditions and to explore what actions the public would support to improve the environment. A secondary concern of the study was to compare attitudes and environmental actions of citizens in three distinct regions of the state: the Mountain, Piedmont, and Coastal regions. North Carolina is often divided into these three distinct regions based on geographic and cultural variations.

The method of collecting data for the study involved a random digit telephone survey of adults in the state. The sample included households in each of the 100 counties in North Carolina, and the sample size, 488, was sufficiently large to ensure that all three regions in the state were statistically represented.<sup>2</sup>

## Statewide Results

### Views on the Extent of Environmental Problems

Survey respondents were asked what they thought was the most serious problem facing North Carolina. Although the environment was not the problem most often cited by the respondents statewide, Table 1 shows that environmental concerns were cited frequently by

respondents, and this concern was grouped closely with three other problems identified by the respondents. The ranking given to the environment as a problem illustrates a high level of public concern about this issue. To further illustrate North Carolinians' attitudes about the environment, when respondents were asked directly about the problem rather than in an open-ended question, an extraordinary 93 percent stated that they were concerned (see Table 2).

Data were gathered about a variety of specific environmental concerns. Responses indicated that there are widespread and deep-seated concerns about various kinds of environmental problems and that recognition levels for these problems are all extremely high: 95 percent of respondents expressed concern about garbage disposal, 92 percent about industrial pollution, 89 percent about agricultural herbicide or pesticide runoff, and 81 percent about acid rain. At least one other study on environmental attitudes has detected similar levels of concern about these problems.<sup>3</sup>

This survey found that North Carolinians are pessimistic about the environment in general but interestingly enough tend to look with more favor on conditions in their communities. When asked about the condition of the environment in the United States, 64 percent of the respondents stated that in their opinion the environment in the United States is getting worse (see Table 3). However, a distinction is found when attention is directed toward opinions about the local environment. When respondents were asked about the environment where they live, 50 percent stated that the condition of their local environment is staying the same (see Table 4).

Herein lies a dilemma for policy makers in the state. Respondents typically perceived a national environmental problem but did not see the quality of their own environment as getting worse. People who see the problem as being somewhere else will be less likely to do something themselves to help the environment or to work actively for the elimination of the problem through local governmental action.

### Views on Government

Survey results showed that North Carolinians view government in a rather negative manner but still feel that governmental intervention is the most viable solution to the widespread nature of environmental problems. Several of the responses illustrate this seemingly inconsistent set of attitudes. When asked to respond to

**Table 5**  
Survey responses to "The government is primarily concerned with addressing the concerns of special interests and lobbyists, and citizens like you have lost their place in politics."

Response	Percentage
Strongly agree	22.5%
Agree	49.8
Do not know	10.9
Disagree	14.5
Strongly disagree	0.3
No answer	1.4

Note: n = 488.

the statement "You can trust the government to do what is right for the people," 64 percent of the respondents disagreed (nearly a fifth of the sample *strongly* disagreed). Further, when respondents were asked whether they agreed with the statement "People in government really care what people like you think," 64 percent disagreed. When asked if government was so complex that people don't know what is going on, 67 percent agreed. Table 5 shows that a remarkable 72 percent of the respondents stated that government was overly concerned with special interests.

Although the results show that the general view of government is negative in North Carolina, the people surveyed expressed a substantial willingness for governmental involvement in protecting the environment. Thus, while nearly 58 percent of the respondents stated that they would prefer that private industry and not government be responsible for protecting the environment, 78 percent said that more governmental regulation is needed to protect the environment. Moreover, 66 percent of the respondents stated that regulation should occur at all levels of government—locally, statewide, and nationally.

### Views on Environmental Regulations

Perhaps the strongest indication that the environment is important to North Carolina's citizens came from the survey questions regarding protection of the environment through governmental regulations versus possible increases in taxes or lost jobs. Seventy-one percent of the respondents stated that a project that would generate more jobs and tax revenue in the community but could also hurt the environment should not be

Table 6  
Regional survey responses to "What is the principal problem facing North Carolina today?"

Issue	Mountain		Piedmont		Coastal	
	Rank	Percentage	Rank	Percentage	Rank	Percentage
Environment	1	21.6%	1	12.4%	3	11.6%
Drugs	2	18.9	2	19.5	1	25.9
Economy	3	16.2	3	15.1	1	12.0
Education	4	13.5	1	23.2	2	19.6
Moral decline	5	5.1				
Crime			5	7.2	5	7.6

Note: Mountain region n = 37, Piedmont region n = 293, Coastal region n = 158.

approved. Even more overwhelming was the fact that 89 percent of the respondents agreed that their community needed to protect the environment through strong controls over what things can be built and where.

In addition to their beliefs that all levels of government should do more to protect the environment, 58 percent of those interviewed stated that they would be willing to pay more taxes to improve the environment. The portion of the citizenry supporting increased taxes for environmental protection was more than twice as large as the portion opposing increased taxes for environmental protection: 28 percent stated that they would not be willing to pay more taxes and 12 percent indicated that they did not know how they felt on this issue.

Attitudes such as those discussed above indicate strong support for environmental protection. Of course some may argue that talk is cheap, but action requires a stronger degree of commitment. People may say they support a policy but fail to offer active support, perhaps because they are too busy in their day-to-day activities to focus on other things. The results of this survey did not support that theory. Only 40 percent of the respondents agreed with the following proposition: "I am so concerned about keeping my job and providing food and shelter for my family that I don't have time to be more active in my community on environmental problems." A near majority, 49 percent, disagreed with the statement. This indicates that many people at least claim that other responsibilities and activities aren't keeping them from being environmentally active.

### Regional Differences

As mentioned earlier, the study also looked at variations in the attitudes of citizens from the Mountain,

Piedmont, and Coastal regions of the state. Literature about North Carolina politics suggests that the Piedmont region should be considered more progressive than other regions, so would be more willing to permit governmental regulation, more attuned to media, and more educated with regard to environmental issues.<sup>4</sup> Some data support this position: for example, zoning regulations came to this region earlier than the other two regions. Further, in the struggle to develop comprehensive region-wide approaches to development, the Mountain region is viewed as the most fiercely independent, having been able to reject a proposed Mountain Area Management Act in the 1970s and a newer incarnation proposed by Governor James Martin in 1991. The survey showed that there are definite and important regional variations in attitudes about the extent of environmental problems, the government, and support for environmental regulations in North Carolina.

### Views on the Extent of Environmental Problems

Regional differences in the perceptions about the relative importance of particular problems clearly exist. Respondents in the Mountain region indicated that the environment is the state's number one problem, followed by drugs, the economy, education, and moral decline. However, in the Piedmont, education emerged as the main problem, followed by drugs, the economy, the environment, and crime. In the Coastal region drugs were most often mentioned, followed by education, the environment, the economy, and crime. These variations are shown in Table 6. The results showed regional variations in the intensities of feelings, as well as in the number of people raising a particular concern. Although respondents from the Mountain region cited the environment as the state's primary problem, the data suggest that these persons are not as intensely concerned about it as those in the Piedmont. When asked whether the quality of the environment is a concern, 96 percent of the Piedmont respondents agreed, with 50 percent strongly agreeing. In the Mountain region 92 percent agreed, but only 30 percent strongly agreed that the environment is a concern. In the Coastal region 90 percent agreed, and of those 34 percent indicated strong agreement. Thus, while there appears to be a broader concern within the Mountain region about environmental problems, the intensity of that feeling is greater in the Piedmont. These results highlight a fundamental problem facing those

who must translate public opinion into public policy: Should an issue felt intensely by a minority be given more or less weight than an issue felt less intensely by a greater number of persons?

Regional variations were also apparent when the focus was on whether the condition of the environment is "getting worse or better, or staying the same." Seventy percent of the Piedmont respondents stated that the condition of the environment nationally is getting worse, while 60 percent in the Mountain region and 55 percent in the Coastal region expressed this opinion. When the focus was on the local environment, there was a fairly dramatic reversal of public opinion in all three regions. There was a significant consensus across the regions that environmental decline is occurring elsewhere in the nation. Overall a majority of respondents said their regional environment is not deteriorating or is at least remaining in the same condition.

Among the respondents who thought their regional environment was getting better, there also was a regional difference. Almost twice as many Mountain residents (27 percent) as Piedmont residents (11 percent) felt their local area to be getting better, while 20 percent of the Coastal residents felt their area is getting better.

### Views on Government and Environmental Regulations

Little regional variation exists on the proposition that private industry rather than government ought to be responsible for protecting the environment: clear majorities across the state said they wish that industry would do more to protect the environment. This may have to be considered an idealistic position because respondents also indicated that reliance on private business would not solve the problem. Thus, despite the wish for more industry involvement, respondents from all regions recognized the need for regulation by the government to protect the environment.

Approximately three quarters of all respondents in the three regions indicated that government should do more to protect the environment. The most intense feelings were reported in the Piedmont, where one quarter of all citizens surveyed indicated that they "strongly agree" that government should do more. Nineteen percent in the Mountain region and 18 percent in the Coastal region said they "strongly agree" with that statement. Public opinion is complex on this matter. Although majorities in all regions said they see a need for

Table 7  
Regional survey responses to "You can trust the government to do what is right for the people."

Response	Mountain Percentage	Piedmont Percentage	Coastal Percentage
Strongly agree	2.7%	1.7%	1.3%
Agree	29.7	20.1	22.2
Don't know	13.5	10.2	15.2
Disagree	37.8	45.1	46.2
Strongly disagree	16.2	21.8	13.9
No answer	0.0	1.0	1.3

Note: Mountain region n = 37, Piedmont region n = 293, Coastal region n = 158.

more governmental action, majorities also expressed little trust in the government (see Table 7).

The data suggest an intriguing proposition. Political folklore in North Carolina may have posited the greatest level of distrust of government in the Mountain region, but this was not the case in this sample. In addition, conventional wisdom probably would have predicted a more trusting attitude in the Piedmont, and this was also not supported by the data. These data suggest that residents of the Mountain region are more willing than is generally believed to allow governmental controls designed to protect the environment.

### Policy-Making Implications

At least two sets of implications on how policies are formed can be drawn from this survey data. One has to do with the seeming anomaly between public opinion that favors more aggressive governmental action toward protecting the environment but distrusts government. It is possible to speculate why this apparent conflict was expressed. Voters tend to see government as catering to special interests, often external to their region or personal interests. It is likely, given voters' cynicism about government, that they wish government would do the right thing but fear that if action were taken, it would benefit special interests rather than the general public.

A second set of implications arises from the significant disparity that exists between the attitudes found in this survey and current environmental regulations. Apparently many public officials misunderstand public opinion. For example, there are fewer environmental and land-use regulations in the Mountain region than elsewhere in the state. Local officials there have often expressed intense opposition to such regulations, as was seen with the proposed Mountain Area Management Act

## Recent Publications of the Institute of Government

### **The Precinct Manual 1992**

Robert P. Joyce. 52 pages. [91.12] ISBN 1-56011-196-8. \$4.50.

### **The North Carolina Executive Budget Act Topically Arranged. Ninth edition**

Edited by John L. Sanders and John F. Lomax, Jr. 88 pages. [90.28] ISBN 1-56011-184-4. \$7.50.

### **County Salaries in North Carolina 1992**

Compiled by Carol S. Burgess. 62 pages. [91.15] ISBN 1-56011-199-2. \$12.50.

### **Chart of the Administrative Organization of North Carolina State Government. 1991 edition**

Compiled by Stephen Allred. 22 x 34 inches, unfolded [90.16] ISBN 1-56011-174-7. \$5.00.

### **North Carolina Legislation 1991**

Edited by Joseph S. Ferrell. 242 pages. [91.11] ISBN 1-56011-195-X. \$20.00.

### **Notary Public Guidebook for North Carolina. Sixth edition**

William A. Campbell. 87 pages. [90.30] ISBN 1-56011-186-0. \$5.00.

### **Law of Sentencing, Probation, and Parole in North Carolina**

Stevens H. Clarke. 191 pages. [91.04] ISBN 1-56011-191-7. \$13.50.

Orders and inquiries should be sent to the Publications Office, Institute of Government, CB# 3330 Knapp Building, UNC-CH, Chapel Hill, NC 27599-3330. Please include a check or purchase order for the amount of the order plus 6 percent sales tax. A complete publications catalog is available from the Publications Office on request. For a copy, call (919) 966-4119.

in the 1970s. Local officials in the Coastal region expressed similar philosophical opposition several years later to a proposed Coastal Area Management Act; however, this opposition was not sufficiently strong to derail implementation of the act.

Yet this survey quite clearly indicates widespread public support for bolder action to protect the environment. Rather than opposing zoning actions because they will interfere with the right to use one's own property (which frequently is used by public officials as justification for not acting to tighten regulations), these data suggest that the public is concerned that government will act to favor special interests. The data show that the public would support regulations that address its concerns about deteriorating environmental conditions. Further, the data show that there is a willingness to pay for stronger environmental regulatory efforts. Judging from the results of this survey, citizen opinion about the environment quite clearly is more supportive of stronger governmental regulation than current political rhetoric suggests. ❖

### **Notes**

1. The authors wish to acknowledge the support and encouragement of Professor James Buchanan, director of the Program for Study of Environmental Change at Appalachian State University, for the research project discussed in this article. Additionally the authors wish to express appreciation for the help and advice of Associate Professor Dennis Grady and graduate assistants Don Jonas, Robert Hoyer, Shannon Richardson, Jianguai Chen, and Zhi Yong, as well as the students in Political Science 4175, Public Opinion, during the fall semester of 1991. The authors alone are responsible for any errors in the content of this article.

2. The sample was drawn by Survey Sampling, Inc. of Fairfield, Connecticut. Based upon sampling theory, the sample size allows for a margin of error of plus or minus 4.5 percent. In assessing how representative the sample was, it should be noted that the United States Census Bureau indicates that the counties included in the Mountain region in this survey have 3 percent of the total population in North Carolina. The sampling techniques used produced a sample with 7.6 percent of its respondents from the Mountain region. This strongly suggests that the sample is representative of the larger statewide population.

3. Data provided to the authors by the Institute for Research in Social Science, The University of North Carolina at Chapel Hill. Data based on a *U.S.A. Today* survey of March 23, 1990.

1. See, for example, Paul Luebke, *Tarheel Politics* (Chapel Hill: University of North Carolina Press, 1990), 58-60.

# Support for General Obligation Bond Issues through Bond Committees

Charles K. Coe

General obligation bonds are often used to help meet certain needs of a community—for example a new school or jail, expanded water and sewer systems, or a new administrative building. Through these bonds, local governments can borrow the money to pay for these projects. North Carolina is one of thirty-four states that require voter approval of general obligation (or G.O.) bond issues.

For some bond issues voter approval is assured: community consensus clearly exists that the project is needed and deserves support. For other projects, however, the outcome is not so clear. General obligation bonds may result in higher property taxes, which may be a factor in causing opposition to the bond issue. When a G.O. bond referendum is not approved by the voters, severe consequences may occur: overcrowded schools may get even more congested; jails full to the brim may not be enlarged; water and sewer systems at capacity may not be expanded, thereby limiting growth in the community; and needed relief may not be given to employees

working in crowded city halls, courthouses, and other administrative buildings. Failing to gain voter approval also may be embarrassing to government officials who view bond election results as negative commentary on their leadership.

Voters in North Carolina generally have supported G.O. bond issues. From 1987 to 1991 citizens approved 298 of 367 G.O. bond referenda (81 percent). This figure, however, masks variability between cities and counties. Cities experienced an overall approval rate of 87 percent compared to a county approval rate of 72 percent. The approval rate also varied over the years. The city approval rate ranged from a low of 79 percent in 1990 to a high of 98 percent in 1988. The county approval rate ranged from a low of 56 percent in 1991 to a high of 86 percent in 1988.

While city and county government officials can spend funds to provide factual information on a bond issue, legally they are prohibited from taking an adversarial position. If local government officials are faced with possible community skepticism or outright opposition to a bond proposal, they should consider forming a citizens' bond committee to take the bond issue's merits to the public in an organized bond campaign. A citizens' committee can raise funds to promote a bond issue and can actively enlist community support.

What factors should local government officials take into account when considering the promotion of a G.O. bond issue and the formation of a committee? To answer this question, a survey was sent to certain city and county finance directors in 1989. Participants included finance directors of the cities and counties that held bond elections in North Carolina during the eighteen-month period from January 1, 1988, to June 30, 1989. The overall response rate was 71 percent. Twenty-nine of the thirty-five cities responded, as did nineteen of the thirty counties. Table 1 indicates the number of governments forming committees and the number of G.O. bond issues approved by the public. Based on the survey results, local governments should consider the following suggestions about bond committees and bond campaigns.

## Have Strong Support of the Governing Body

If the governing body is not unified in its support for the bond issue, obtaining public approval becomes much more difficult and often impossible. In twenty of the twenty-two bond proposals for which a committee was

*The author is an associate professor in the Department of Political Science and Public Administration at North Carolina State University. The material in this article is adapted from an article that first appeared in the Municipal Finance Journal (Vol. 12, No. 1, copyright 1991), used by permission of Panel Publishers, Inc., 36 West 44th Street, New York, NY 10036.*

formed, the elected body unanimously supported the issue. In the other two governments, only one member of each board opposed the issue, but finance directors in both cases said that this opposition—though mild in number—was a crucial reason why their bond issues were defeated.

### If Faced with Possible Opposition, Form a Committee

Twenty-two of the forty-eight respondents (46 percent) formed a committee. Counties (53 percent) were more likely to form a committee than cities (41 percent), which indicates that they experienced more opposition than cities. According to the Local Government Commission, counties had 15 percent more bonds disapproved than cities between 1987 and 1991. The majority of these rejections were bond issues for school construction. Obtaining public support for schools can be difficult because the only group that *directly* benefits from schools is a relatively small segment of the community—those with school-age children.

In those cases where city councils or county boards decided to form a committee, the finance directors felt that the committee was a very important reason for public support of the bond issue. Fifty-seven percent of the finance directors indicated that the committee was a very important factor in gaining public support, and 33 percent believed that the committee was somewhat important. Furthermore most of the jurisdictions whose bond issues were defeated wished that they had formed a committee. During the eighteen-month study period, ten bond issues were defeated. Finance directors from four of the ten responded to the survey and the other six were contacted by telephone. Officials in five of the six said they wished they had formed a committee.

### Carefully Pick the Committee and Its Chair

Who sat on the committees chiefly depended on the type of bond proposal. For example, in cities, when street, water, or sewer construction projects were on the ballot, members of the related business community played a lead role. When school construction was at issue, the committee typically was composed of school board members, county commissioners, influential business officials, and concerned parents. In one city where construction of a new library was on the ballot, the mayor appointed a committee composed exclusively of friends of the library.

Table 1  
Use of Bond Committees for North Carolina Bond Elections  
January 1, 1988, through June 30, 1989

	Cities	Counties	Total
Bond committee was formed			
Bond issue approved	10	9	19
Bond issue not approved	2	1	3
Total			<u>22</u>
Bond committee was not formed			
Bond issue approved	17	8	25
Bond issue not approved	0	1	1
Total			<u>26</u>
Total participating in survey	29	19	48

*Note:* A total of thirty-five cities and thirty counties held bond elections during the period covered by the survey. The data in this table represent information from the twenty-nine cities and nineteen counties that responded to the survey.

Picking the right person to chair the committee also may be important. Seventy-five percent of the finance directors felt that the choice of the chair was either very or somewhat important. All ten of the counties that formed a committee had a chair, as did seven of the twelve cities. In ten of these seventeen local jurisdictions, the chair was selected because he or she had previous experience heading a similar committee; the other seven chairs were chosen because of their influence in the community.

The method of selecting committee members and the chair varied in cities and counties. In counties the committee usually selected its chair, whereas the mayor normally picked the chair in cities. In counties the committee either was a preexisting committee for a previous bond issue that reformed itself (50 percent), the county commission appointed it (30 percent), or it formed on its own (20 percent). In cities committees were appointed by the mayor (58 percent) or by the city council (25 percent), or they formed on their own (17 percent). The size of the committees varied widely from five to 105, with a mean of thirty.

### Brief the Committee Well

If the committee is to promote the bond issue effectively, it should be well informed about facilities that would be built. To this end the staff of city and county governments gave very extensive briefings to the committees. In all but two instances, staff gave committees written reports and studies that described the project, its timetable, and its projected cost and benefits. In



eighteen of the twenty-two jurisdictions, the staff followed up these written materials with meetings to explain the project further and to answer committee members' questions. A picture can be worth a thousand words, so in almost one half of the cases, the staff gave the committee a guided tour of existing facilities and proposed construction sites.

Having good information helps committee members and board members engage in the often difficult process of setting priorities for various competing projects. In thirteen of the twenty-two cases, the governments were faced with a number of competing projects and needs and had to decide which were most important. Committees were formed to help with this task. Formal priorities were established in six instances, with the committee ranking the projects in three cases and the governing board ranking them in the other three.

### **Carefully Time the Promotional Campaign**

After briefing the committee, the local government and the committee must decide when to begin the promotional campaign. This is a sensitive decision. Starting too early may cause the campaign to run out of steam. On the other hand, starting too late may leave insufficient time to get the message across to the public successfully. Nineteen of the twenty-two committees allowed from one to four months for their bond campaign, and twenty believed that this was the right amount of time. Of the two committees wishing that they had allowed a different amount of time, one, which allowed four months, said it should have scheduled one more month. The other, which allowed two years, indicated that the period should have been cut to a year.

### **Promote the Bond Issue Widely**

Issues concerning proposed bonds should be discussed directly with the public. All twenty-two of the local units did this by sending elected and appointed officials, often accompanied by committee members, to talk to a wide range of community groups. Finance directors frequently indicated that gaining the approval of civic organizations was a crucial factor in the approval of the bond issue. In strictly local elections, a small percentage of the electorate votes. Thus it is especially important that the case be made well to this small voting group. Members of influential civic organizations and service clubs often have the community standing and prestige to influence voters.

Committee members and government officials must take different tacks when addressing community groups. City or county elected or appointed officials are prohibited from advocating a bond proposal. They can, however, present factual information and answer questions in both public discussions and in written materials sent to the public. When informing the public, the tax issue should be faced squarely. The possible benefits of the proposal should be stressed, but the voters also should be told how their property tax bill will be affected by the proposed bond issue. Sixteen of the twenty-two localities sent a brochure to the citizenry indicating the benefits and the increased taxes that a typical taxpayer would pay.

Committee members, on the other hand, can and do go beyond the strictly informational role played by government-appointed and elected officials. Committee members can forcefully tell the general public why the bond proposal should be approved. Committees can also raise funds to promote a bond issue, whereas governments cannot. Committees in eight of the ten counties raised an average of \$27,250 per bond issue. Committees in six of the twelve cities raised an average of \$3,010. The other committees did not raise any money. Committees raised funds by asking for contributions from citizens and groups supporting the issue. They used the funds for promotional activities such as hiring consulting firms to survey the public about their opinions on specific capital projects and to prepare promotional material. Committees also spent funds to promote the issue with posters, radio spots, and television ads.

### **If at First You Don't Succeed, Consider Trying Again**

Losing a hard-fought bond campaign can be a disappointing and bitter pill to swallow, but a defeat can also be taken as an opportunity. Sometimes negative public opinion is so entrenched that trying again is hopeless. But in other cases, a restructured bond campaign will meet with success. If a bond proposal fails, local officials and committee members should carefully analyze the reasons for voter disapproval. It is advisable to formally or informally survey a sample of citizens to find out what they did not like about the bond proposal. With this knowledge, a subsequent bond issue can be redesigned to counteract these objections, or the objections can be incorporated into a revised proposal. ❖

# North Carolina's Fiscal Policy

## *Editor's note:*

*At the request of Representative John R. Gamble, Jr., cochairman of the North Carolina General Assembly's Revenue Laws Study Committee, faculty members of the Institute of Government have prepared a statement of North Carolina's fiscal policy, as reflected in the state's constitution, statutes, appropriations, and fiscal practices.*

*The aim of the statement is to set out in comprehensive, simple terms the scheme that has evolved over two centuries for financing government in North Carolina. This requires an examination of both state and local government, as responsibility for many functions is shared and local governments are heavily dependent on state-collected taxes. It is essential also that the statement comprehend spending as well as taxing policies, as neither is understandable without knowledge of the other.*

*The need for brevity requires omission of many details and exceptions that affect specific spending and taxing policies.*

*The statement is reproduced here for the information of Popular Government readers.*

## I. Responsibility for North Carolina's Fiscal System

The General Assembly is responsible (1) for organizing a system of state agencies and local governmental units;<sup>1</sup> (2) for assigning responsibility within that system for providing and financing various public services; (3)

*This statement was prepared by Institute of Government faculty member Charles D. Liner with assistance from other Institute faculty members.*

for enacting laws governing the administration of public services; (4) for enacting laws levying taxes, imposing fees, authorizing other revenue sources for state agencies and institutions, and budgeting or otherwise authorizing the expenditure of revenues so generated; and (5) for enacting laws authorizing taxes, fees, and other revenue sources for local governments and specifying the uses to which those revenues may be put.<sup>2</sup>

## II. Responsibility for Providing Public Services

### A. State-local responsibilities

The state government and units of local government share responsibility for providing public services, as follows.

1. State agencies. These agencies administer statewide programs directly, as in the case of highways, corrections, and courts, or supervise and regulate statewide programs administered by counties, as in the case of public schools, social service programs, and public health programs.

2. Counties. Counties are agents of the state government. In that role they are responsible for providing basic services, such as elementary and secondary education, public health protection, and social services programs, that must be made available to all people of the state, whether they live in cities and towns or in the countryside. Counties may also act as units of local government in providing additional services for their residents. Their residents usually finance these services.

3. Municipal governments. Municipalities are responsible for providing local services in a limited geographical area that are not provided by the state or county government, or for providing a higher level of service than that provided by the state or county government, for people who live in a municipality and who choose, by decision of their elected officials, to pay for those services from revenues under local control.

### B. Program responsibilities

1. Elementary and secondary education. The General Assembly is responsible for providing for a general and uniform system of free public schools.<sup>3</sup> It may assign responsibility for financial support to local units.<sup>4</sup> The state government is responsible for paying from state revenues the operating costs of providing the standard course of study in all schools.<sup>5</sup> Under the Basic Education Program, which was enacted in 1935 and is to be fully operational by July 1, 1995, the standard course of study is the education program that should be made

available to all children in the public schools.<sup>6</sup> The state allocates funds to local units for this purpose according to about eighty allocation formulas, and the state pays teachers and other school personnel according to a uniform, statewide salary schedule. Additional state funds are provided to some low-wealth counties and to some units with small enrollments.<sup>7</sup> Local units may supplement any public school program provided by the state.<sup>8</sup> Counties are responsible for buildings and other facilities.<sup>9</sup> However, state revenues are distributed to counties to aid them in school construction,<sup>10</sup> and, for a limited period, part of county local-option retail sales tax collections must be used for this purpose.<sup>11</sup>

2. Higher education. The state maintains a public system of higher education, as required by the constitution.<sup>12</sup> The state government is solely responsible for the sixteen-campus university system. The state government and counties share responsibility for community colleges: the state government pays for instructional and administrative expenses, while counties are responsible for constructing buildings (for which they receive state aid) and for building maintenance, utilities, and other expenses.<sup>13</sup>

3. Judicial system. The state government is responsible for administering the court system and for paying all operating expenses.<sup>14</sup> Counties are responsible for building and maintaining local court facilities.<sup>15</sup>

4. Corrections. The state government is responsible for incarcerating all prisoners sentenced to serve thirty days or more, but prisoners sentenced to terms of less than 130 days are incarcerated in local jails and the state compensates local units for the expense.<sup>16</sup> Local units are responsible for incarcerating those awaiting trial.

5. Highways. The state government is responsible for building and maintaining all public highways, roads, and streets except those municipal streets that are not part of the state road network, and it pays part of the cost of building and maintaining municipal streets that are not part of the state road network by sharing state gasoline tax receipts with municipalities, as noted below. (Counties have no responsibility for highways, roads, or streets.)

6. Social services programs. Counties are responsible for local administration of various social services programs supervised by the state. Counties must provide certain programs according to state standards, but they have discretion in choosing whether or not to provide certain other services and in choosing a higher level of

service than that required by the state. The costs of social services programs are borne mainly by the state and federal governments. Counties must pay local administrative expenses and a share of other costs of most programs. For example, counties must pay 5 percent of Medicaid expenses, which is the largest single county obligation for social services programs. The counties' share of other costs varies among programs, from nothing to 100 percent.

7. Public health programs. All counties provide public health services, either individually or as part of a multi-county health district, with oversight from the state. State agencies make most of the rules for environmental health programs, such as those pertaining to septic tanks and restaurants, but local units are primarily responsible for administering them.

8. Mental health. The state maintains hospitals for the mentally ill, facilities for the developmentally disabled, and facilities for alcohol and drug rehabilitation. Community-based programs in mental health, developmental disabilities, and substance abuse are delivered through single- or multi-county authorities established as special purpose units of government. These authorities operate under standards and mandates set by the state government, which provides a large share of funds used in local programs.

9. Environmental protection programs. The state has primary responsibility for basic air and water pollution control programs, with some involvement of local government. State responsibility is coupled with greater local responsibility in the cases of coastal regulation, septic tank laws, watershed protection, sedimentation control, and soil and water conservation. Counties and municipalities generally share in responsibility for solid waste collection and disposal. Local units, primarily municipalities, are responsible for water and sewer treatment, storm-water facilities, and land-use regulation.

10. Law enforcement. Local law-enforcement responsibilities are shared by county sheriffs and municipal police departments, the latter acting essentially within municipal boundaries and the former acting essentially outside municipal boundaries, although the sheriff's legal authority is the same inside and outside towns in his or her county. Other specialized law-enforcement functions are provided through state agencies such as the State Bureau of Investigation, the State Highway Patrol, the Wildlife Resources Commission, and the Division of Motor Vehicles.

### III. Revenue Sources

#### A. Taxation power

The North Carolina constitution states "The power of taxation shall be exercised in a just and equitable manner, for public purposes only, and shall never be surrendered, suspended, or contracted away."<sup>17</sup> Revenues, whether for state or local use, may be levied only under authority of laws enacted by the General Assembly.<sup>18</sup>

#### B. Limitations

1. General. The rate of taxation on incomes is limited to 10 percent of net income.<sup>19</sup> No poll or capitation tax may be levied by any taxing unit.<sup>20</sup>

2. Property tax limitations. Only the General Assembly may classify property for taxation.<sup>21</sup> Property of the federal government, the state, and units of local government is exempt from taxation.<sup>22</sup> The General Assembly may exclude from the property tax base, or provide for other preferential treatment of, other classes of property, but it must do so by uniform statewide laws.<sup>23</sup> Property taxes may be levied without an approving vote of the people only for purposes authorized by general laws uniformly applicable throughout the state.<sup>24</sup> Property tax levies for debt service and most mandated county functions are subject to no restrictions as to rate or amount. Levies for all other purposes except city bus and county housing programs (which require voter approval) require voter approval only if the combined levy for these purposes exceeds \$1.50 per hundred-dollar valuation (in practice this limitation has not been restrictive).<sup>25</sup>

#### C. Major tax sources

##### 1. State sources.

a. Principal tax sources. The state relies primarily on personal income and retail sales taxes for raising general revenue for state purposes. According to estimates for 1991-92, these taxes will account for 18 and 29 percent, respectively, of General Fund tax revenue.<sup>26</sup> The corporate income tax and franchise taxes will account for 8 and 5 percent, respectively, of General Fund tax revenue. The remaining 9 percent of General Fund tax revenue will come from alcoholic beverage, insurance, inheritance, soft drink, and other taxes.

(1) Personal income tax. The personal income tax is imposed on net taxable income according to a graduated rate schedule, and therefore the amount of the tax varies with amounts of income, exemptions, and

deductions. Net taxable income for state purposes is net taxable income as defined by the federal tax code, adjusted to account for special provisions of the North Carolina tax.<sup>27</sup> For example, the value of personal exemptions and the standard deduction are adjusted annually for inflation under the federal tax code, but for the North Carolina tax these values (\$2,000 and \$5,000 for joint returns, respectively) are frozen at levels set in 1989. Tax brackets vary with filing status. For married couples, the tax rate is 6 percent on net taxable income of \$21,250 or less, 7 percent on net taxable income of \$21,250 to \$100,000, and 7.75 percent on net taxable income over \$100,000.<sup>28</sup>

(2) Retail sales tax. The retail sales tax is broadly based, with relatively few exemptions.<sup>29</sup> The base includes sales of most types of tangible personal property (including food) and sales of electricity, natural gas, and telephone service. Sales of personal and professional services are not taxed, except for laundry and dry cleaning services and room rentals. Exemptions include eyeglasses, prescription drugs, and numerous miscellaneous items. Some items are taxed at a rate lower than the general state rate (now 4 percent) or taxed subject to a maximum.

b. Highway taxes and fees. Highway construction and maintenance are supported by user-related taxes and fees, and generally those revenues are used only for that purpose (some exceptions apply<sup>30</sup>). The gasoline and highway use taxes (the latter is a sales tax on vehicle purchases collected when title is transferred) and highway-related license fees provide the major support for highway construction and maintenance.

##### 2. Local government sources.

a. Principal tax sources. For general tax revenue local governments rely primarily on the property tax and local-option retail sales taxes. These taxes accounted for 63 and 26 percent, respectively, of estimated county tax revenue in 1990-91. They accounted for 52 and 22 percent, respectively, of estimated municipal tax revenue that year.<sup>31</sup> The local-option retail sales tax, which is collected by the state, is levied at the rate of 2 percent in all counties. Revenue accruing from one cent of the sales tax is distributed to the county area where the tax is collected. The revenue from the second cent is distributed to county areas according to county population. The total local sales tax allocated to a county area is divided among the county and municipal governments in that county according to either ad valorem tax levy

or population, as the county governing board may determine.

b. *Intangibles property tax levied by the state.* The state levies and collects a property tax on certain classes of intangible personal property (principally accounts receivable, bonds, and stocks) and distributes the proceeds to counties and municipalities where they are collected. The state does not levy a general property tax for its own use, and has not done so for sixty years.

c. *Other local taxes.* Other taxes authorized for general use by counties and cities include various privilege license taxes, cable franchise taxes, animal taxes, motor vehicle license taxes, and 911 charges. By authority of local legislation, some units levy occupancy, land transfer, admissions, and prepared meals taxes.

d. *State-shared taxes.* Several kinds of taxes are, for convenience and efficiency, collected by the state on behalf of counties and municipalities. Revenues from beer and wine taxes are shared with counties and municipalities that allow beer and wine sales. Municipalities receive a share of gasoline and highway trust fund revenues for use in constructing and maintaining municipal streets that are not part of the state road network. Revenues from this source accounted for 6.6 percent of estimated municipal tax revenue in 1990–91. Municipalities receive the net proceeds from the franchise tax of 3.22 percent levied on sales by privately owned utility companies of electricity, gas, and telephone services within the municipality. These revenues accounted for 3.9 percent of estimated municipal tax revenue in 1990–91. Counties receive half the revenues from the state-levied excise stamp tax on conveyances of real property. State-shared taxes are disbursed to local units by appropriation from the state's General Fund.

e. *User charges and fees.* Local governments are authorized to use a wide variety of user charges and fees to finance services that provide direct benefits to individual users (as opposed to those services that provide general benefits to the community).

f. *Tax cut reimbursements.* Counties and municipalities receive funds by appropriation from the state's General Fund as reimbursements for revenue lost because of repeal of the property tax on business inventories, exclusion of cash balances from the intangible property tax, and some other measures of the 1980s that reduced local tax revenue. Such reimbursements accounted for 6.6 and 5.5 percent of estimated county and municipal tax revenue, respectively, in 1990–91.

## IV. Budgeting, Spending, and Debt

### A. Budgeting

1. *General.* State funds may be spent only if appropriated by law, and local funds may be spent only by authority of law.<sup>32</sup>

2. *State government.* The governor prepares a proposed budget for legislative consideration and executes the legislatively enacted budget.<sup>33</sup> The operating budget must be balanced, and the governor must ensure that spending not exceed available revenue.<sup>34</sup> State budget policies are governed further by the Executive Budget Act.<sup>35</sup>

3. *Local governments.* All funds received and spent by local government agencies must be budgeted, dispersed, and accounted for in accordance with the Local Government Budget and Fiscal Control Act<sup>36</sup> or the School Budget and Fiscal Control Act,<sup>37</sup> both of which are enforced by the Local Government Commission. Under these acts, local funds may be budgeted in an annual budget ordinance or, in the case of capital facility projects or projects involving federal or state project grants, in a project ordinance, which provides spending authority for the life of a project (project ordinances are not authorized for school units). All local annual and project budgets must be balanced, with the sum of estimated revenues and appropriated fund balances equal to spending appropriations. Local budget ordinances must show the estimated revenues, specified by source, from which expenditures are to be financed.

### B. Debt financing

1. *Authority to incur debt.* The state and local governments may not borrow funds secured by the taxing power without the approval of a majority of voters, except in the following cases authorized by the constitution: (1) to refund existing debt, (2) to meet unexpected revenue shortfalls, (3) to borrow in anticipation of revenue, (4) to suppress riots or insurrections or to repel invasions, (5) to meet emergencies threatening health or safety, and (6) to borrow an amount not exceeding two thirds of the amount of debt retired in the preceding fiscal period.<sup>38</sup> Voter approval is not required when financing is not secured by the full faith and credit of the governmental unit, as in the case of revenue bonds, lease-purchase agreements, and other financing arrangements.

2. *Use of current revenue for capital projects.* State capital construction projects are financed from current revenues (including unspent balances from

the previous fiscal year) rather than from borrowed funds. State aid for school construction is financed from current revenues. Generally, the state borrows only to meet requirements of occasional, large-scale capital projects, such as prison construction mandated by the courts. (In earlier decades the state borrowed to finance school construction aid and, on occasion, highway construction.)

3. Regulation of local government borrowing. The Local Government Commission oversees local government borrowing, in accordance with the Local Government Bond Act<sup>39</sup> and other statutes. ❖

## Notes

1. "The General Assembly shall prescribe the functions, powers, and duties of the administrative departments and agencies of the State and may alter them from time to time, but the Governor may make such changes in the allocation of offices and agencies and in the allocation of those functions, powers, and duties as he considers necessary for efficient administration." N.C. Const. art. III, § 5(10).

"The General Assembly shall provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable." N.C. Const. art. VII § 1.

2. "The legislative power of the state shall be vested in the General Assembly . . ." N.C. Const. art. II § 1. The constitution imposes special legislative procedures for tax legislation: "No law shall be enacted to raise money on the credit of the State, or to pledge the faith of the State directly or indirectly for the payment of any debt, or to impose any tax upon the people of the State, or to allow the counties, cities, or towns to do so, unless the bill for the purpose shall have been read three several times in each house of the General Assembly and passed three several readings, which readings shall have been on three different days, and shall have been agreed to by each house respectively, and unless the yeas and nays on the second and third readings of the bill shall have been entered on the journal." N.C. Const. art. II, § 23.

3. N.C. Const. art. IX, § 2(1).

4. N.C. Const. art. IX, § 2(2).

5. N.C. Gen. Stat. § 115C-103(b).

6. N.C. Gen. Stat. § 115C-31(a1). "It is the intent of the General Assembly that until the Basic Education Program is fully funded, the implementation of the Basic Education Program shall be the focus of State educational funding. It is the goal of the General Assembly that the Basic Education Program be fully funded and completely operational in each local administrative unit by July 1, 1995." N.C. Gen. Stat. § 115C-31(a), as amended by 1991 N.C. Sess. Laws 639, § 196.

7. 1991 N.C. Sess. Laws 639, §§ 201.1 and 201.2.

8. N.C. Const. art. IX, § 2(2).

9. N.C. Gen. Stat. § 115C-403(b).

10. 1987 N.C. Sess. Laws 622 and 313.

11. N.C. Gen. Stat. §§ 105-137(a) and 105-502(a).

12. N.C. Const. art. IX, § 8.

13. N.C. Gen. Stat. §§ 115D-31 and 115D-32.

14. N.C. Gen. Stat. § 7A-300.

15. N.C. Gen. Stat. § 7A-302.

16. N.C. Gen. Stat. §§ 113-32.1 and 15A-1352.

17. N.C. Const. art. II, § 23 (1).

18. N.C. Const. art. II, § 1.

19. N.C. Const. art. V, § 2(6).

20. N.C. Const. art. V, § 1.

21. N.C. Const. art. V, § 2(2).

22. U.S. Const. art. VI (supremacy clause); N.C. Const. art. V, § 2(3).

23. N.C. Const. art. V, § 2(2).

24. N.C. Const. art. V, § 2(5).

25. N.C. Gen. Stat. §§ 153A-149 and 160A-209.

26. Taxes will account for 97.2 percent of total General Fund revenue in 1991-92. The total state budget of \$13.6 billion in operating and capital appropriations will be financed from the General Fund (57.5 percent), highway funds (10.1 percent), departmental receipts (8.6 percent), bond financing (1.2 percent), and federal funds (23 percent). Fiscal Research Division of the North Carolina General Assembly, *Overview: Fiscal and Budgetary Actions, 1991 Session* (Raleigh: NCGA, FRD, 1991), 5, 14.

27. N.C. Gen. Stat. § 105-131.6.

28. N.C. Gen. Stat. § 105-134.2.

29. Many specific kinds of personal property are exempted from taxation by Section 105-161.13 of the General Statutes, but most of the products exempted are sold at wholesale or as inputs into the production process. Most of the exemptions of goods sold at retail are medical products.

30. The 1989 laws that converted the retail sales tax on vehicle sales to a highway use tax provided that annually an amount equal to the retail sales tax collections on vehicles be transferred to the General Fund. The Highway Fund, in addition to financing road construction and maintenance, also provides funds for such programs as the Highway Patrol and mass transit.

31. Tax revenue, including state-shared tax revenue, accounted for 31.1 percent of total county revenue and for 11.1 percent of total municipal revenue in 1989-90. Utility revenue accounted for 1.4 and 11.1 percent, respectively, of county and municipal revenue that year. Unpublished data from the Fiscal Research Division.

32. N.C. Const. art. V, § 7.

33. N.C. Const. art. III, § 5(3).

34. N.C. Const. art. III, § 5(3).

35. N.C. Gen. Stat. §§ 113-1 through 113-31.7.

36. N.C. Gen. Stat. §§ 159-7 through 159-12.

37. N.C. Gen. Stat. § 115C, art. 31.

38. N.C. Const. art. V, §§ 3 and 4. The fiscal period of the state is a biennium of two fiscal years. The fiscal period of local governments is a fiscal year of twelve months beginning on July 1.

39. N.C. Gen. Stat. § 159, art. 1.



Management faculty at the Institute. Photo by S. Exum.

# Management Services at the Institute of Government

Roger M. Schwarz and Richard R. McMahon

Since its founding in 1931, the Institute of Government has served local government officials through training, consulting, research, and writing. According to the Institute's founder, Albert Coates, the goal was to educate local officials about law, finance, and administration. Until the 1950s, however, Institute of Government programs focused almost exclusively on the law, with only occasional sessions offered on administration or management. It has only been in the past few decades that the Institute has seen a growing focus on the area of management in its programs.

In this article the term *management* refers to the closely related fields of organizational behavior and organization development. These two fields include understanding how people behave in organizations and understanding how to help people in organizations work more effectively. It should be noted that the Institute

offers many services that would be included in a broader definition of management, for example, the Institute's many programs relating to budgeting and finance.

This article describes the growth in management services at the Institute, the types of services it now offers, and how clients can obtain those services.

## The Evolution of Management Services at the Institute

The Municipal Administration Course, which began in 1951, was one of the first courses to devote a significant amount of time to teaching personnel administration and administrative principles. The course included topics on the motivation of employees and effective communications. Typically, with the exception of personnel, these management topics were either taught by people not on the Institute faculty, handled by persons whose main expertise was in budgeting, or referred to someone outside the Institute of Government. The Municipal

*The authors are Institute of Government faculty members who specialize in the area of management.*

## Management Faculty Areas of Specialization

**Margaret S. Carlson** is an organizational psychologist whose areas of specialization include communication, performance appraisal, conflict management, organizational culture, the orientation of new employees, group decision making, and organization development. Carlson works closely with human resources managers and personnel directors. Phone number: (919) 966-4169.

**Kurt J. Jenne** is a planner and former city manager whose areas of specialization include planning and goal setting, board-manager relations, financial management, and general local government administration. Jenne works closely with city and county managers and elected boards. He directs the Executive Development Program and the School for Newly Elected Mayors and Council Members. Phone number: (919) 966-1259.

**Ronald G. Lynch** is a lawyer and former police chief whose areas of specialization include assessment centers, decision making, management styles, motivation, management by objectives, principles of human behavior, and the use of the Myers-Briggs Type

Administration Course was one of the few Institute courses that addressed the management area before 1960, and those that were offered focused largely on personnel issues such as job classifications, selection, and interviewing.

In the early 1960s the Institute hired several faculty members to develop training programs and provide program consultation to the criminal justice agencies throughout North Carolina. A number of the training programs focused exclusively on management and on supervision in particular. In 1965, in response to clients' requests, the first police administration program was offered. This program was probably the first, regularly offered program at the Institute that focused primarily on management issues.

During the 1980s and early 1990s, a number of faculty changes occurred that changed the focus and increased the number and range of management services the Institute provided its clients. It began to offer services that focused more on helping individuals manage systemically; that is, considering the consequences of any action on the entire organization. The Institute's personnel services shifted away from emphasizing recruitment, selection, pay classification studies, and basic personnel training to emphasizing human resources management as an internal force for organization development. Training programs were added that focused almost exclusively on management, including the Executive Development Program and the Human Services Management Program.

In addition to these changes of the past decade, other programs not strictly devoted to this field of management began addressing these issues. For example, the Principals' Executive Program, which began in 1984, addressed managerial, legal, and curricular issues in its programs for school personnel.

The Institute is now offering other management services, as well as those mentioned above. Training for managers and supervisors of a single organization, retreat facilitation for board members and managers, and consultation on a wide range of management issues, including systemic change in an organization, are now a regular part of the Institute's services. Thus, within the Institute of Government, the field of management has evolved from being a minor part of other programs to being the central focus of many programs devoted exclusively to

management and a major focus of programs that combine these areas and the law.

The Institute's current management faculty includes five members who specialize in different areas but share an interest in the field of management. See "Management Faculty Areas of Specialization," pages 30 and 31. Within the mission of the Institute, they help local and state government officials develop the awareness, knowledge, and skills they need to effectively manage their organizations.

## Training

Most of the training conducted by the management faculty is on topics that can help all managers and their organizations to be effective. However, some programs are offered for specific groups like personnel directors or finance officers. The Institute's various management training programs have different purposes. Many programs, like the Effective Management Program, help managers understand concepts and techniques for dealing with management issues, such as motivating employees, making decisions, or supervising employees. Other programs, like the Group Facilitation and Consultation Workshop, help managers develop skills and understand the concepts and techniques underlying them.



Management faculty members Peg Carlson and Dick McMahon.





Bob Dorman

Kurt Jenne teaching in the Police Executive Development Program.

## Topics

Some programs, lasting from one week to five weeks, explore a variety of related topics. For example, the Fire Executive Development Program lasts two weeks and includes topics on understanding styles of management, understanding human behavior, making decisions, planning, and managing organizational change. Other programs, lasting from two days to almost three weeks, examine one topic in depth with the aim of developing strong conceptual understanding or building useful skills. The Group Facilitation and Consultation Workshop is an example. See "Some Current Institute Management Courses," on pages 32 and 33.

## Clients

Some of the training is offered to any manager or supervisor; other training is offered for managers or supervisors in a particular function, such as human services or law enforcement. Sometimes the training is offered for managers and supervisors from the same organization to help them develop a common language and approach for discussing and solving problems. This type of training addresses a problem that clients in the other types of training programs often express: "I wish my supervisor (or subordinates) could hear this." Providing training to a single organization usually requires a large investment of time by the Institute and the organization. Often this training is custom-designed for the organization and

is offered on site in its jurisdiction. Because the aim is to distribute services equitably among the clients, the Institute offers this type of training a limited number of times each year.

## Management Training in Other Programs

In addition to offering entire programs that focus on management issues, management faculty regularly teach in other Institute of Government courses, which might comprise mostly nonmanagerial topics, and in other public management programs offered outside the Institute of Government. Other Institute programs in which management faculty teach include the Municipal and County Administration courses, the Principals' Executive Program, the Superintendents' Executive Program, management conferences for school administrators, courses for newly elected officials, and certification programs for clerks and zoning officers. Management and legal faculty at the Institute currently are designing training to help clients learn how to deal simultaneously with the managerial and legal issues embedded in the problems they face.

Most of the management faculty members also teach in the Master of Public Administration program at The University of North Carolina at Chapel Hill. Many of the M.P.A. students take jobs working in local or state government in North Carolina. Each year the management faculty members also teach five or six three-day courses in North Carolina's Public Managers Program, which trains middle-level state officials.

## Approach to Training

Management faculty design the training programs to encourage participant involvement through class discussions and small-group work as much as possible and by lecturing only as necessary. They encourage participants to share their relevant experiences, recognizing that the participants bring a wealth of knowledge and experience to the classroom and can learn from each other as well as from the faculty. Most of the programs give participants the opportunity to receive feedback about some aspects of their managerial behavior through assignments, personal learning instruments, or exercises in class. To achieve these goals, classes are usually small. Many of the programs have follow-up sessions because improving managerial effectiveness is an ongoing process.

Indicator. Lynch works closely with law-enforcement agencies and directs the Police Executive Development Program. Phone number: (919) 966-4394.

**Richard R. McMahon** is a clinical psychologist whose areas of specialization include leadership, team building, group facilitation, assessment centers, management styles, communication, developmental supervision, stress and burnout, principles of human behavior, and the use of the Myers-Briggs Type Indicator and other personal feedback instruments. He directs the Effective Management Program and assists in directing the Police Executive Development Program, the Fire Executive Development Program, and the Group Facilitation and Consultation Workshop. Phone number: (919) 966-1367.

**Roger M. Schwarz** is an organizational psychologist whose areas of specialization include managing conflict, managing change, organizational culture, group facilitation, problem solving and decision making, motivation and job design, and the improvement of service quality. He directs the Human Services Management Program and the Group Facilitation and Consultation Workshop. Schwarz works closely with human services agencies. Phone number: (919) 966-1760.

## Some Current Institute Management Courses

**Effective Management Program.** A week-long program designed for managers and supervisors at all levels who have not had other significant management training. Topics include decision making, human behavior, employee motivation, behavioral styles, organizational communication, developmental supervision, employee interviews and selection, and time management.

**Executive Development Program.** A three-week program designed for top-level managers who want to refine their leadership and management skills and better understand the fundamental systems and issues that challenge them on the job. Topics vary from year to year but always give the local government executive the opportunity to explore current ideas and techniques, hone executive skills, and step outside his or her day-to-day responsibilities to think creatively about working in an increasingly complex, uncertain, and changing system.

**Group Facilitation and Consultation.** An intensive two-week workshop with a three-day follow-up session designed for city and county managers, department heads, and managers of state agencies who want to learn how to facilitate groups, such as in retreats. The workshop teaches concepts, techniques, and skills and focuses on such areas as values and beliefs, the role of the facilitator, contracts with clients, group intervention, and facilitation in a political context and in the participant's own organization.

**Managing Conflict.** A three-day workshop offered for any manager or supervisor interested in understanding concepts about and building skills for managing conflict collaboratively. Participants explore different conflict management styles, how to identify the basic issues in a conflict, and how to develop solutions that all parties are committed to implementing.

**Managing Organizational Change.** A three-day workshop offered for managers planning large-scale changes in their organizations. Topics include identifying what needs changing, developing support for change, and managing change systemically.

**Transactional Analysis and Supervision.** A three-day workshop designed to help supervisors enhance their self-awareness and learn skills in communicating and identifying and solving problems. The workshop uses the transactional analysis framework to help participants analyze and establish supervisory relationships.

**Implementing Participative Management.** A workshop designed for top-level managers who want to learn how to implement participative management approaches in their organizations. Topics include involving employees in making decisions, managing systemically, understanding managerial styles, and managing the transition to participative management.

Programs are designed around a set of effective management principles, which participants can apply to solve a wide range of problems that they might encounter. In addition, the faculty strive to integrate the topics within and between the programs, so that participants can apply their new knowledge and skills in one topic to other topics and to other programs.

### Consulting

Through consulting, management faculty help clients deal with specific problems. The faculty provide several kinds of consultation, including group facilitation, recruitment and assessment assistance,

organization development projects, and on-the-spot assistance in solving problems.

### Group Facilitation

Faculty members provide group facilitation services to help clients plan and set goals, clarify what members expect of each other, evaluate the group's performance, or address a particularly difficult conflict or problem the group faces. The faculty member serves as a neutral third party who helps the group improve the process by which it solves problems. Consequently, the facilitator does not get involved in the content of a group's discussion nor does he or she make decisions for the group.

**Probation and Parole Supervisor Program.** A program offered for probation and parole supervisors who have not had significant management training. The topics are similar to those in the Effective Management Program.

**Fire Executive Development Program.** A two-week program for fire chiefs and other command personnel. Topics include leadership, motivation, team building, budgeting, organizational communication, time management, and principles of human behavior.

**Police Executive Development Program.** A five-week program designed for police chiefs and other top law-enforcement officials. Topics include leadership, planning, managing internal affairs, and building for the future.

**Human Services Management Program.** A two-week program for directors and top-level managers of social services, health, aging network, and mental health agencies. Topics include

understanding principles of effective leadership and management, managing organizational culture, managing creatively, delivering quality services, managing conflict, building effective teams, designing high-motivation jobs, integrating human resource management and personnel law, managing director-board relations, marketing human services, writing effectively, and planning and managing change.

**Developmental Supervision.** A six-day program designed for supervisors who have had little supervisory training. The participants learn concepts and develop skills in communicating, managing conflict, helping effectively, conducting meetings, and solving problems.

**Advanced Programs for Elected Officials.** A new series of one- or two-day topic workshops to provide elected officials with

in-depth training beyond the schools for newly elected officials. Some of these workshops will cover leadership practices and increase officials' knowledge of management concepts and techniques that govern the behavior of administrative staffs.



Bob Donnan

Ron Lynch with participants of the Executive Development Program.

Management faculty members regularly develop new training programs. Faculty can be contacted for the most current list of programs or for more information about the programs listed here.

Much of the facilitation is in the form of retreats for boards and their managers or for top management teams. The faculty also work with other groups, such as appointed advisory boards, committees, and task forces. The time needed for facilitation depends on what the group wants to accomplish and its current situation. Typically, groups need at least two days to make significant progress on the issues on which they ask for help.

**Recruitment and Assessment**

Management faculty at the Institute help organizations design and run assessment centers that evaluate leading candidates for key positions, such as city

or county managers or department heads. An assessment center simulates tasks and situations that candidates would typically face in the position that they seek. Assessment centers have been found to be a much better predictor of managerial success than interviews only. However, faculty also help organizations design effective recruitment and hiring procedures even if they do not wish to use assessment centers.

The management faculty do not make recommendations to clients about whom to hire. Instead, they help the people making the hiring decision to design and implement a process that will enable them to make effective decisions based on valid and reliable information.

## Management Articles

Many of the Institute of Government's writings related to the management field are available from the Institute's Publications Sales Office. (919) 966-1119. Some of these are listed below.

"Assessment Centers: A New Tool for Evaluating Prospective Leaders." by Ronald G. Lynch, reprint from *Popular Government* 50 (Spring 1985).

"From Vision to Reality: Effective Planning by the Governing Board." by Kurt J. Jenne, reprint from *Popular Government* 51 (Summer 1988).

"Groundrules for Effective Groups." by Roger M. Schwarz, reprint from *Popular Government* 51 (Spring 1989).

"Governing Board Retreats." by Kurt J. Jenne, reprint from *Popular Government* 53 (Winter 1988).

"Managing Planned Change in Organizations." by Roger M. Schwarz, reprint from *Popular Government* 53 (Winter 1988).

"Managing the Two Sides of Technological Change." by Roger M. Schwarz, reprint from *Popular Government* 53 (Spring 1988).

"Municipal Personnel Departments: Management Tool or Employee Advocate?" by Stephen K. Straus, reprint from *Popular Government* 53 (Fall 1987).

"Selecting Employees through Systematic Interviewing." by Stephen K. Straus, reprint from *Popular Government* 53 (Spring 1988).

"Strategic Planning: Taking Charge of the Future." by Kurt J. Jenne, reprint from *Popular Government* 51 (Spring 1986).

"Understanding and Changing the Culture of an Organization." by Roger M. Schwarz, reprint from *Popular Government* 51 (Winter 1989).

"What Makes the Other Guy Tick? Capitalizing on Personality Differences in Management." by Mark Carpenter, Ronald G. Lynch, and Richard R. McMahon, reprint from *Popular Government* 48 (Winter 1983).

## Organization Development Projects

Through organization development projects, management faculty help clients manage change that affects an entire organization. Examples include improving the quality of service, developing participative management, and improving communication.

Recognizing that effective change is based on accurate information, organization development projects begin with a diagnostic phase. The faculty help the organization identify its goals and the aspects of the organization that need to change to achieve them. Based on this assessment, the faculty help the organization plan and implement a set of changes. These might include changing various structures in the organization, such as who reports to whom, how performance is evaluated and rewarded, or how employee behavior is controlled. The changes might also focus on various organizational processes, such as how problems are solved, how decisions are made, or how conflicts are managed. Employees often participate in training that supports the changes in the organization.

Creating lasting organizational change takes a long time. Projects typically last two years or more depending on the organization's goals, the amount of change necessary to achieve them, and the organization's ability to commit itself to

the changes. Consequently, the Institute is able to do very few of these projects and usually must contract to cover the considerable cost and allocation of faculty time to the project.

## Short-Term Consulting

Management faculty also provide less formal, short-term or on-the-spot consultation to clients on a variety of management issues, either over the phone or in person. Clients can discuss managerial problems they are trying to solve, use faculty members as sounding boards for their ideas, or simply get help in locating other resources.

## Approach to Consulting

Effective consulting begins with accurately defining the problem to be solved. Consequently, the faculty start by helping clients clearly identify the problem they think they have. Throughout the consultations, they help clients think about how the decisions they may make will affect other aspects of their group or organization. Consulting is considered a joint effort that requires the expertise and commitment of both clients and consultants. The faculty strive always to leave the client with the capability of dealing with the problem in the future with less or no consultation.

## Writing and Research

The Institute's management faculty reaches a large client audience through its writing. Many of these writings—usually articles—help managers understand important management issues and offer practical techniques for dealing with them. Some of these are listed to the left on this page.

The management faculty also conduct research. The research is designed to address practical issues that clients face. The research is often conducted as part of organization development or other consulting projects, where the client can use the research results immediately. For example, an organization development project to improve service quality might include



Bob Dornan

Roger Schwarz making a point during a discussion in the Human Services Management Program.

a survey of employees' opinions about their jobs and the organization and a survey of citizens' opinions about the service they receive. This information can help project participants decide what aspects of the organization they want to change. In organization development projects, the client is a partner in the research; this ensures that the research meets the organization's needs.

### Using the Institute's Management Services

The Institute's management services are available to any North Carolina local or state government official within the limits of the Institute's time and other resources. Clients interested in particular services or consultation can contact directly whichever faculty member specializes in that area. Management services are in high demand, particularly services like group facilitation. It is more likely that management faculty will be able to facilitate retreats if clients schedule them with faculty at least three months in advance. The highest scheduling priority goes to governing boards and their managers. If Institute faculty cannot facilitate a retreat, they help the client find another effective facilitator.

Fees for training programs differ depending on the program and the location at which it is offered. Fees are set to recover only a portion of the total costs. Consultation fees vary depending on the length and complexity of the work and the Institute resources that must be allocated to the project or task. Management faculty usually provide short-term consultation and retreat facilitation either without charge or with charges to cover only travel and direct expenses.

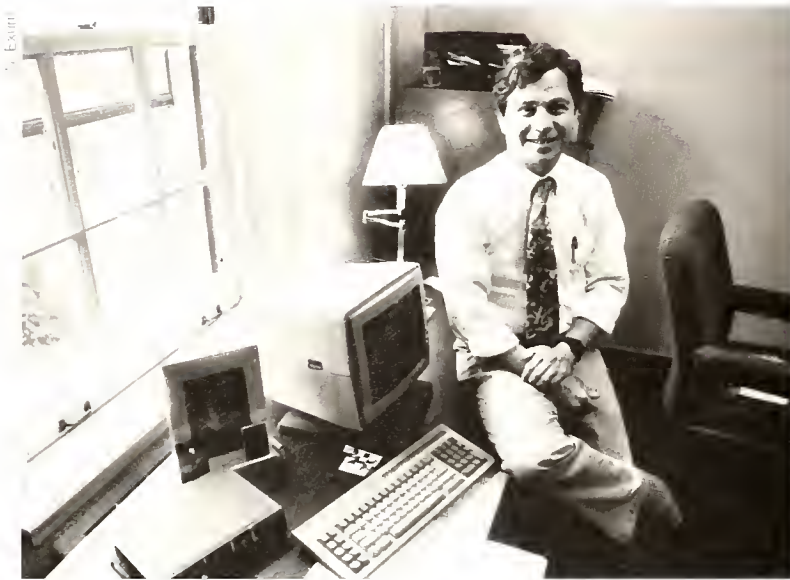
### Conclusion

For more than sixty years the Institute of Government has devoted itself to helping local and state government officials of North Carolina. In recent years the Institute has broadened its faculty and programs outside the traditional realm of law, including the area of management. Through training, consulting, research, and writing, the Institute's management faculty help state and local government officials improve the effectiveness of their organizations. The faculty value the long-term working relationships they develop with clients and continually strive to improve the services they offer by requesting feedback and suggestions from the clients they serve. ❖

Kurt Jenne, Dick McMahon, and participants in the Executive Development Program.



## AT THE INSTITUTE



John L. Saxon

## Saxon Joins the Institute Faculty

John L. Saxon, of Hillsborough, North Carolina, joined the Institute of Government faculty in March. His area of emphasis at the Institute is social services, aging, and child support law.

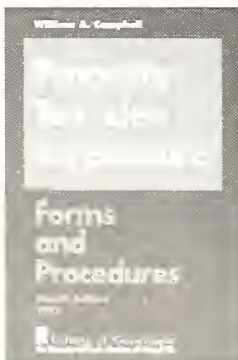
Before joining the Institute Saxon practiced law with Gullett, Eakes, Volland, and Calhoun in

Durham, North Carolina. He also has worked as a legal services attorney in North Carolina, Virginia, and South Carolina. He received his undergraduate degree, with high honors, from Auburn University in 1972 and his law degree from Antioch School of Law in Washington, D.C., in 1977. —Liz McGeachy

## Heath Is Honored for Work with Coastal Resources

Institute of Government faculty member Milton S. Heath, Jr. was honored recently by the North Carolina Coastal Resources Commission and the Coastal Resources Advisory Council for his service to the people and the environment of North Carolina. Heath was an original member of the Coastal Resources Advisory Council in 1974 and served on the council until 1991.

The organizations presented Heath with a resolution of appreciation at their meeting of May 29, 1992. Specifically the resolution praised Heath for his involvement in the development of the North Carolina Coastal Area Management Act of 1974. This act, which included the creation of the commission and the advisory council, has been a pivotal piece of legislation in the protection of coastal resources in the state. —Liz McGeachy



## Property Tax Lien Foreclosure Forms and Procedures

Fourth Edition

William A. Campbell

*Property Tax Lien Foreclosure Forms and Procedures* discusses the foreclosure forms and procedures necessary in North Carolina to foreclose a tax lien on real property. The first chapter deals with mortgage-style foreclosure and the second with the *in rem* method. Samples of all sixty-seven forms are included in the book. This edition updates the 1985 edition, reflecting changes in legislation and case law.

When you purchase *Property Tax Lien Foreclosure Forms and Procedures*, you may take advantage of a new option: sample foreclosure forms on computer disk. From the disk you may call up and print out any of the sample foreclosure forms included in the book in basic, unformatted text. The disk does not include the explanatory text and is not sold separately from the book.



Disks are available in three formats:

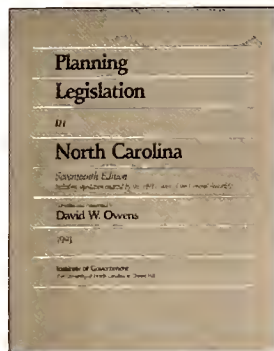
- 3.5-inch disk in Microsoft Word 5.0 for Apple Macintosh computers
- 3.5-inch disk in Microsoft Word 5.0 for personal computers using MS-DOS
- 5.25-inch disk in Microsoft Word 5.0 for personal computers using MS-DOS

Please note that the MS-DOS format versions are not Microsoft Word for Windows, but are compatible with it and can be opened by Microsoft Word for Windows, version 1.1 or higher.

The disk alone is \$13.50 and the disk with a computer disk is \$14.50 plus 6 percent sales tax for North Carolina residents.

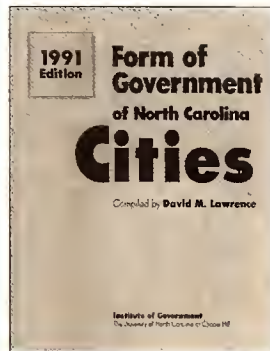
Call the Institute of Government Publications Office today at 919-966-4119 or write them at CB# 3330 Knapp Building UNC-CH, Chapel Hill, NC 27599-3330 to place your order.

# OFF THE PRESS



## Planning Legislation in North Carolina Seventeenth Edition

Compiled by David W. Owens



## Form of Government of North Carolina Cities 1991 Edition

Compiled by David M. Lawrence

This compilation of North Carolina statutes on planning, land use, and development has been completely reorganized and updated. Helpful features include key words in the margins and increased clarifying annotations. The nine subject-matter chapters include the complete statutes enacted through the 1991 General Assembly. [90.25] ISBN 1-56011-181-X. \$20.00.

This publication, which is compiled from city charters, from amending acts passed by the state legislature, and from individual ordinances, offers information for every North Carolina city or town, regardless of size. Categories of information include General Assembly acts that are the legal basis of the government, the running of the municipality, information about council members and their terms, elections of the mayor and council members, and summaries of the above information by various population categories. [91.16] ISBN 1-56011-201-8. \$8.00

## Property Tax Lien Foreclosure Forms and Procedures Fourth Edition

William A. Campbell

This recently updated book includes samples of the sixty-seven foreclosure forms and procedures necessary in North Carolina to foreclose a tax lien on real property. See the advertisement on page 36 for a complete description of this publication and accompanying computer disks. [91.02] ISBN 1-56011-189-5. \$10.50 for the book only; \$14.50 for the book with disk.

## 1992-1993 Finance Calendar of Duties for City and County Officials

Prepared by David M. Lawrence

This calendar sets out the principle duties of city and county officials in preparing and adopting the budget and in financial reporting. It shows duties required by the General Statutes or by state agency regulation and the dates by which they are to be performed. [92.06] ISBN 1-56011-209-3. \$4.50.

## Interpreting North Carolina's Public Records Law

*Local Government Law Bulletin* No. 41

David M. Lawrence

This bulletin gives details of the North Carolina Supreme Court's decision *News and Observer Publishing Co. v. Poole*. The case involved access to documents of a commission investigating allegations about the basketball program at North Carolina State University. David Lawrence discusses how the decision has changed earlier interpretations of the state's public records law. \$3.00.

### To order

Orders and inquiries should be sent to the Publications Office, Institute of Government, CB# 3330 Knapp Building, UNC-CH, Chapel Hill, NC 27599-3330. Please include a check or purchase order for the amount of the order plus 6 percent sales tax. A complete publications catalog is available from the Publications Office on request. For a copy, call (919) 966-4119.

Popular Government

(ISSN 0032-4515)

Institute of Government

CB# 3330 Knapp Building

The University of North Carolina at Chapel Hill

Chapel Hill, North Carolina 27599-3330